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RECORDING REQUESTED BY  
GUESTA TITLE COMPANY

Doc No: 2000-074122

Rpt No: 00096085

Recording requested by  
and when recorded mail to:

The Nature Conservancy  
201 Mission Street, 4th Floor  
San Francisco, CA 94105  
Attn: William D. Hunter  
Regional Counsel

Official Records  
San Luis Obispo Co.  
Julie L. Rodewald  
Recorder  
Dec 14, 2000  
Time: 08:00  
[ 81 ]

RF -1	247.00
SMF	10.00
COS	20.00
UN	4,473.15
TOTAL	4,750.15

Space above this line reserved for Recorder's use

SURVEY MONUMENT FEE \$10.00

Grant Deed of Conservation Easement  
(San Luis Obispo County -- Cambria Coast Ranch)

FILED	FEE PAID	EXEMPT	OUT OF STATE
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Documentary Transfer  
Tax is \$4,473.15  
Computed on Full Value  
The undersigned grantor declares.

APN: 013,081,043 013,111,005 013,241,011

This Grant Deed of Conservation Easement (this "Deed"), dated for reference purposes as of December 5, 2000, is entered into by and between A.L. Central Coast Estates, Inc., a California Corporation, as the grantor ("Grantor") and The Nature Conservancy, a District of Columbia non-profit corporation ("Grantee"), on the basis of the following facts and circumstances:

A. Grantor owns that certain real property, consisting of approximately 1,454 acres of land in San Luis Obispo County, California, commonly known as the "Cambria Coast Ranch." This Deed covers all of the Cambria Coast Ranch except up to five and one-half (5 1/2) acres in the aggregate (the land covered by this Deed is hereinafter referred to as the "Land" and the portion of the Cambria Coast Ranch excluded from this Deed is hereinafter collectively referred to as the "Excluded Land"). The property description of the Land is attached hereto as Exhibit A. The Land, together with all rights, title, and interests appurtenant to the Land, is sometimes hereinafter referred to as the "Property".

B. The Property possesses significant natural, ecological, aesthetic and scenic values for conservation purposes (collectively, the "Conservation Values") which are of great importance to Grantor and Grantee, to the people of San Luis Obispo County, and to the people of the State of California, and which include, but are not necessarily limited to natural resources, ecological, and scientific values, including the Monterey pine forest and riparian habitat referred to in Recital C below, as well as scenic, open space and recreational values.

C. In particular, the Property contains one of only three remaining indigenous stands of Monterey Pine forest, as well as a creek ecosystem and its riparian corridors, providing significant habitat for a variety of important wildlife, and plants.

D. Grantor, as the owner in fee of the Property, owns the rights to identify, to preserve and protect in perpetuity, and to enhance the restoration of the ecosystem, the natural systems and processes, and the scenic and aesthetic values of the Property. Grantor intends that

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December 5, 2000

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the Conservation Values of the Property be preserved, protected, and maintained in perpetuity by the continuation of existing land use patterns that will not interfere with or disrupt, impair, or interfere with the Conservation Values of the Property, all subject to the terms and conditions of this Deed. In order to accomplish such purposes (the "Conservation Purposes"), Grantor intends to convey to Grantee, and Grantee intends to obtain, a conservation easement restricting the use which may be made of the Property, in order to preserve and protect in perpetuity the Conservation Values of the Property.

E. The State of California recognizes the public importance and validity of conservation easements by enactment of Section 815 *et seq.* of the California Civil Code.

F. Grantee is a non-profit corporation incorporated under the laws of the District of Columbia and, as a tax-exempt public charity described in Section 815.3 of the California Civil Code and Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code, is organized to protect and conserve natural areas and ecologically significant land for scientific, ecological, scenic, aesthetic, charitable, recreational, and educational purposes, and is a "qualified organization" within the meaning of that term in Section 170(h) of the Internal Revenue Code of 1986 (as amended), qualified to acquire and hold conservation easements.

G. Grantee is concurrently being granted, under the terms of a separate document which is being recorded with this Deed in the official public records of the county in which the Property is located (the "Official Records"), a right of first refusal to purchase the Property (the "Right of First Refusal").

H. Grantee is acquiring a conservation easement, using funds allocated pursuant to section 133(d)(2) of the United States Code Annotated Title 23 for the public purpose of utilizing the Property, other than the Improvement Area, hereinafter defined, as a Transportation Enhancement Activities (TEA) project which is directly related to the protection and enhancement of scenic values and views from State Highway One owned by the State of California in the vicinity of the Property, hereinafter referred to as the "Transportation Facilities."

NOW, THEREFORE, in consideration of the foregoing recitals, the respective agreements of the parties which are hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to Section 815 *et seq.* of the California Civil Code, Grantor hereby grants to Grantee in perpetuity, and the successors and assigns of Grantee, and Grantee hereby accepts, a conservation easement in, on, over, and across the Property (the "Easement"), granting to Grantee the rights which are provided for herein and restricting in perpetuity the uses which may be made of the Property, all on the following terms and conditions:

1. **Purpose.** It is the purpose of the Easement and this Deed that the Property will be managed and maintained in a manner that is consistent with the preservation and protection of the Conservation Values of the Property, in order to preserve, protect, enhance, and restore in

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perpetuity the Conservation Values of the Property, including (but not limited to) the significant habitat of plants and wildlife on the Property, and Grantor and Grantee intend that this Deed will confine the use of the Property to such activities and facilities as are consistent with the Conservation Purposes of the Easement. For purposes of this Easement, the Property consists of three areas, referred to, respectively as the "Forest Area", the "Riparian Area" and the "Range Area", and the Excluded Land consists of four areas, referred to, respectively as the "Cambria Cemetery Exception," the "Main Street Commercial Exception," the "Bridge Street Commercial Exception" and the "Santa Rosa Cemetery Exception." All of said areas are depicted or referred to on the map attached hereto as Exhibit B together with attachments 1 through 8 thereto (collectively, the "Map") and further defined as follows:

(a) "Forest Area" is defined as that portion of the Property shown and labeled on the Map as "Forest Area", and includes (i) all of the areas labeled on the Map as parcels E (except a portion of the Excluded Land consisting of approximately two acres adjacent to the Cambria Cemetery, as shown on the Map and further described in attachment 3 thereto (the "Cambria Cemetery Exception"), which, subject to the provisions of Paragraph 13 of Exhibit D below, is reserved from this Easement to accommodate a possible expansion by said cemetery), F, 29 and 32; (ii) portions of areas labeled on the Map as parcels 30 and 31 which are southerly of the boundary line between the Forest Area and the Range Area as shown on the Map (said boundary line between the Forest Area and the Range Area is further described in Attachment 1 thereto); and (iii) all of the area labeled on the Map as Parcel G except for the following Excluded Land: (A) an area of approximately two and one-half (2.5) acres at the southeasterly corner of Parcel G, which is zoned commercial, is Excluded Land hereunder, and is identified on the Map and further described in Attachment 4 thereto and referred to herein as the "Main Street Commercial Exception," (B) an area of not to exceed one acre at the southwesterly corner of Parcel G at its intersection with Bridge Street as shown on the Map and further described in Attachment 5 thereto and referred to herein as the "Bridge Street Commercial Exception", and (C) an area of not to exceed one-half acre defined and defined in Subparagraph 1(d) below as the "Santa Rosa Cemetery Exception." A legal description of the Forest Area is attached as Exhibit F hereto. The Forest Area predominantly consists of indigenous Monterey Pine forest, the protection, management and enhancement of which is a major objective of this Easement. The size and configuration of the Forest Area and the rights of Grantee under this Easement with respect to the Forest Area shall not be affected by any future change in the population or coverage area of Monterey Pines within the Forest Area as depicted on the Map.

(b) "Riparian Area" is defined as that portion of the Property, consisting of a seasonal creek through areas shown on the Map as Parcels C-1, C-2 and C-3, the configuration of which, including the creekbed and protected riparian zone, is shown on the Map and further described in Attachment 2 thereto; the Conservation Purposes of the Riparian Area are the protection, maintenance and restoration of riparian habitat.

(c) "Range Area" is defined as that portion of the Property labeled on the Map as "Range Area", and includes (i) areas labeled on the Map as parcels C-1, C-2 and C-3 (excluding however, the Riparian Area"), (ii) all of Parcel 28, and (iii) all of parcels 30 and 31 northerly of

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the boundary of the Forest Area, as shown on the Map. A legal description of the Range Area is attached hereto as **Exhibit G**. The Range Area predominantly consists of range lands, interspersed with trees and other native vegetation. Grantee has reserved certain ranching and development rights with respect to portions of the Range Area, which are more fully set forth in Paragraph 4 below.

(d) "**Excluded Land**" is collectively defined to consist of (i) the Cambria Cemetery Exception (provided, however, that the Cambria Cemetery Exception may be removed from the Excluded Land and shall become subject to this Easement, under the circumstances as set forth in Subparagraph 13(vi) of **Exhibit D** hereof), (ii) the Main Street Commercial Exception, (iii) the Bridge Street Commercial Exception, all as shown on the Map, and (iv) the Santa Rosa Cemetery Exception defined below in this subparagraph 1(d). The parties acknowledge that, as of the date hereof, there exists an encroachment of gravesites on Parcel G by the Old Santa Rosa Cemetery presently owned by the Catholic Church, Diocese of Monterey (A.P.N. 013-241-022). Part of such encroachment is located on the Commercial Area and thus already excluded from this Easement; however, the balance of such encroachment, consisting of lands of not to exceed one-half acre within the present fence-line of the Old Santa Rosa Cemetery as of the date hereof and located within Parcel G outside of the Main Street Commercial Exception, is defined as the "**Santa Rosa Cemetery Exception**;" a legal description of the Santa Rosa Cemetery Exception is attached to the Map as Attachment 6 thereto.

2. **Easement Documentation Report; Map.** The parties acknowledge that the specific Conservation Values of the Property, including those pertaining to the Property as a whole and those pertaining, respectively, to the Forest Area, the Riparian Area and the Range Area are further documented in an inventory of the relevant features of the Property, which is referred to hereinafter as the "**Easement Documentation Report**", and which has been prepared by a competent biologist familiar with the environs and approved by Grantor and Grantee in writing. Grantor and Grantee each have a copy of the Easement Documentation Report, executed by both parties. The parties agree that the Easement Documentation Report contains an accurate representation of the biological and physical condition of the Property at the time that this Deed is recorded and is intended to serve as an objective, though non-exclusive, information baseline for monitoring compliance with the terms of the Easement. The foregoing notwithstanding, if a dispute arises with respect to the nature and extent of the physical or biological condition of the Property, the parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the dispute. The parties further acknowledge that the Map is a reduced copy of that certain unrecorded 30" by 42" map, the original of which is in the possession of Grantee and which Map includes and depicts all of the following:

- (a) the Forest Area, and the Range Area including the configuration of constituent areas of the Land and the Excluded Land;
- (b) the location and exterior boundaries of the Riparian Area;

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(c) the location of the boundaries referred to in Paragraph 24 hereof where fences are to be built by Grantor;

(d) the location of the boundaries of the Forest Area, where Grantee has the right to build fences pursuant to Paragraph 7 of Exhibit C hereto;

(e) the location of all existing roads within the Forest Area, which Grantor may maintain and improve to the extent permitted in Paragraph 5 of Exhibit D hereof; and

(f) the location of existing wells on the Property.

3. **Rights Conveyed to Grantee.** The rights conveyed to Grantee by this Deed and pursuant to the Easement include, but are not limited to, the following:

(a) the right to identify, preserve, and protect in perpetuity, as well as the right to enhance and restore, to the extent permitted under this Deed, the natural, ecological, scenic, and aesthetic features, processes and values of the Property, including (but not limited to) the water resources of the Property and the natural flora and fauna on the Property, all in the manner set forth in this Deed; subject, however, to any reserved rights of Grantor specified in this Deed;

(b) the right to conduct wildlife, plant, and habitat studies, research and monitoring at times permitted by the Easement, and at any additional times permitted by Grantor;

(c) the right of access to and entry upon the Property at all reasonable times, subject to the terms of this Deed, using any and all easements and rights of way appurtenant to the Property, if any, in order to inspect the Property, to enforce the rights which are granted to Grantee herein, to study and make scientific observations of the Property's natural elements and ecosystems, to determine whether the activities of Grantor are in compliance with the terms of this Deed, and to enforce the restoration of such areas or features of the Property as may have been damaged; it being understood that such access and entry will be made: (i) in a manner that will not interfere unreasonably with the permitted use(s) or enjoyment of the Property by Grantor, its successors in interest, or any legally recognized occupant(s) or user(s) of the Property; (ii) with a minimum of seventy-two (72) hours prior written notice to Grantor; (iii) unless otherwise specifically provided for herein, access shall be for the reasonable period of time required by Grantee to carry out the of the purpose of the access; and (iv) subject to any additional provisions and limitations set forth in Exhibit C attached hereto;

(d) the right of immediate entry upon Property if, in the reasonable judgement of Grantee, such entry is needed to prevent damage to or the destruction of any of the Conservation Values, or a violation of the terms of this Deed; and

(e) the right to enjoin any activity on the Property or other use of the Property which, in the judgement of Grantee, exercising its reasonable discretion, is inconsistent with the

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Easement or the terms of this Deed, and to enforce the restoration of such areas or features of the Property as may be damaged by any such inconsistent activity or use.

In furtherance of the foregoing rights, Grantee shall have the specific rights set out in Exhibit C which is attached hereto.

4. **Consistent Uses of the Property.** Grantor and Grantee intend that the Easement shall confine the uses of the Property to open space, conservation, and wildlife habitat uses, except that Grantor retains the right to erect and maintain, within the "Improvement Area," defined below, up to five (5) new single family houses and an equestrian facility ("Equestrian Facility"), all in compliance with the terms of this Deed and in harmony with the protection and preservation of the Conservation Values of the Property. Except as prohibited or otherwise limited by this Deed, Grantor reserves the right to use and enjoy the Property in any manner which is consistent with the purpose of the Easement. The "Improvement Area" is defined as the Range Area excluding, however, the "Exclusion Area," defined below. The Exclusion Area is defined as that portion of the Range Area consisting of either (i) all of parcel C-1, or (ii) in the event that Grantor is able to obtain lot line adjustments of the Range Area acceptable to Grantor, (A) all of Parcels C-2 and C-3, and (B) all that portion of Parcel C-1 lying westerly of a straight line commencing at the southwest corner of Parcel C-2 and from that point of beginning northerly along the westerly boundary of Parcel C-2 to the northwest corner of Parcel C-2 and then further extended to the intersection of said line with the northerly boundary of Parcel C-1. The boundaries of the configuration of the Exclusion Area shall remain unaffected by adjustments in the boundaries of Parcels C-1, C-2 or C-3 which may be approved by any future lot line adjustment but shall be defined in perpetuity with reference to the locations of the present boundaries of Parcels C-1, C-2 and C-3 as shown on the Map. Prior to and as a condition of either the recordation of any lot line adjustment affecting Parcels C-1, C-2 or C-3 or the initiation by Grantee with the County of San Luis Obispo or any other public agency of any proposal relating to residential construction or an equestrian facility on any of Parcels C-1, C-2 or C-3, Grantor shall prepare and obtain the review and approval by Grantee, which approval shall not be unreasonably be withheld, of a metes and bounds description of the Exclusion Area which shall irrevocably establish the metes and bounds description of the Exclusion Area as one of the two alternative areas described above. Grantee shall approve the proposed metes and bounds description if it conforms to the boundary requirements of one of the two alternative areas set forth above. Grantor and Grantee shall execute, acknowledge and record an instrument which refers to this Easement Paragraph as soon as is practicable following the completion of any such approved metes and bounds description of the Exclusion Area. The uses set forth in Exhibit D which is attached hereto, though not an exhaustive list of consistent uses of the Property, are agreed by Grantor and Grantee to be consistent with the Easement, subject to any limitations in this Deed as to their extent or nature, and shall not otherwise be precluded, prevented, or limited by the Easement (as interpreted, when applicable, in the context of historical use), except for the requirement of prior approval by Grantee, where such approval is required herein. Grantor shall, however, give Grantee written notice at least thirty (30) days prior to any of such uses which may have an adverse impact on the Conservation Values protected under this Deed.

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5. **Inconsistent Uses of the Property.** Any activity on or use of the Property which is inconsistent with the Conservation Purposes of the Easement is prohibited. Grantor and Grantee acknowledge and agree that the uses of the Property which are described in **Exhibit E** which is attached hereto, though not an exhaustive recital of inconsistent uses and practices, are inconsistent with the Conservation Purposes of the Easement and shall be prohibited at the Property, except to the limited extent (if any) permitted pursuant to the terms of that exhibit.

6. **Remedies for Violation.** The following provisions shall be applicable to the enforcement of the Easement:

(a) **Notice of Violation.** If Grantee becomes aware that a violation of the terms of this Deed (a "Violation") has occurred or is threatened to occur, Grantee shall give written notice to Grantor of the Violation (a "Violation Notice").

(b) **Corrective Action.** Upon the giving of a Violation Notice, Grantor shall promptly commence, and thereafter diligently pursue to completion, corrective action sufficient to cure the Violation and, where the Violation involves injury to the Property resulting from any use or activity inconsistent with the Conservation Purposes of the Easement, to restore the portion of the Property so injured. Grantor shall be in default under this Deed (a "Grantor Default") if Grantor fails to cure the Violation within thirty (30) days after the Violation Notice is given; provided that, if more than thirty (30) days is reasonably required for the corrective action, then, if Grantor promptly begins the corrective action within such thirty (30) day period, no Grantor Default shall exist for so long thereafter as Grantor is diligently pursuing such cure to completion.

(c) **Remedies Upon Default.** In the event of a Grantor Default, Grantee shall have all remedies available at law or in equity to enforce the terms of this Deed and the purposes of the Easement, including (but not limited to) the right to: (1) seek a temporary or permanent injunction with respect to any activity causing a Violation; (2) recover any damages arising from the Violation; and/or (3) force the restoration of that portion of the Property affected by the Violation to the condition that existed prior to the Violation. The foregoing remedies shall be cumulative and shall be in addition to all other remedies existing at law or in equity with respect to a Violation; it being understood that the obligation to restore the Property to its prior condition may be enforced only against that party or those parties who shall have caused the Violation, including, but not limited to, Grantor and the heirs, personal representatives, successors or assigns of Grantor.

(d) **Costs of Enforcement.** In any action, suit or other proceeding undertaken to enforce any right or obligation under this Deed, or to interpret any of the provisions of this Deed, the prevailing party shall be entitled to recover from the non-prevailing party the costs and expenses of such proceeding, including (but not limited to) the court costs and attorneys' fees and expenses incurred by the prevailing party (whether incurred at the trial, appellate, or administrative level), in such amount as the court or administrative body may judge reasonable, all of which may be incorporated into and be a part of any judgement or decision rendered in

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such action, suit or other proceeding. In addition, any costs of restoration shall be borne by Grantor.

(e) Emergency Enforcement. The foregoing provisions notwithstanding, if Grantee, in the exercise of its reasonable discretion, determines that a Violation has occurred and circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Property, Grantee may pursue its remedies under this Deed without giving a Violation Notice and without waiting for the period to cure the Violation which is provided for above.

(f) Grantee Discretion. Enforcement of the terms and provisions of this Deed shall be at the discretion of Grantee, and the failure of Grantee to discover a Violation or to take action under this Deed with respect to a given Violation shall not be deemed or construed to be a waiver of the rights of Grantee under this Deed in the event of any subsequent occurrence of that or any other Violation.

(g) Non-liability For Acts of Third Parties And Prudent Management. Nothing contained in this Deed shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from: (i) any act by a third party who is unrelated to Grantor and is not under the direction or control of Grantor or acting under contract with Grantor or with the consent with Grantor, so long as Grantor has taken all reasonable steps to discourage such acts, such as the posting of "no trespassing" signs; (ii) natural causes beyond the reasonable control of Grantor, including fire, flood, storm, biological pathogens and earth movement; (iii) any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Property resulting from such causes; or (iv) any prudent action taken by Grantor in conformance with and pursuant to a forest management plan for the Property prepared by Grantor and approved by Grantee, which approval shall be based upon Grantee's determination, in its sole discretion, that the forest management plan is consistent with the Conservation Values and other terms of the Easement and provides for prior notice to Grantee and Grantee's consent for actions which may affect the Conservation Values of this Easement, and also approved, if required, by the County of San Luis Obispo and other governmental agencies with jurisdiction (any such plan is hereinafter referred to as the "Forest Management Plan").

(h) Exhaustion of Remedies. Nothing in this Deed shall be construed to preclude Grantor from exhausting its legal remedies in determining whether an activity to which Grantee has objected is inconsistent with this Deed or the purposes of the Easement.

7. Approval Process. Whenever the agreement or consent of either Grantor or Grantee to a proposed action or activity (a "Proposed Activity") is to be obtained by the other party pursuant to this Deed (an "Approval"), the party seeking the Approval (the "Requesting Party") shall give the other party (the "Notified Party") a written notice requesting the Approval and informing the Notified Party in detail of all material aspects of the Proposed Activity (collectively, a "Request Notice"), and the following provisions shall then be applicable:

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(a) If the Notified Party has not given the Requesting Party a written notice requesting additional specific information concerning the Proposed Activity within twenty (20) days after the Request Notice was first given, or, if supplemental information is provided by the Requesting Party (which shall then automatically become a part of the Request Notice), then within twenty (20) days after the day on which such supplemental information is provided (in whichever case is applicable, the "Information Deadline"), then the information concerning the Proposed Activity which was supplied by the Requesting Party by the Information Deadline shall be deemed complete for all purposes.

(b) The Notified Party shall review the Request Notice promptly, and shall, if it has any objections to the Proposed Activity, give the Requesting Party written notice thereof (an "Objection Notice") within thirty (30) days after the Information Deadline. Any objections by a party shall be based upon its reasonable opinion that the Proposed Activity is inconsistent with the terms of this Deed or the purposes of the Easement, in a manner which shall be specified in the Objection Notice. If the Notified Party gives an Objection Notice, it shall also make a good faith effort to advise the Requesting Party how the Proposed Activity could be modified to be consistent with the purposes of the Easement.

(c) The Requesting Party shall not, and shall not have the right to, commence or conduct the Proposed Activity until and unless it receives the written approval of the Notified Party, and only in the manner approved, except to the extent that the approval of the Notified Party is deemed given as indicated below.

(d) The Proposed Activity shall be deemed to have been agreed upon or consented to (as applicable) by the Notified Party if no Objection Notice has been given within thirty (30) days after the Information Deadline, and the Notified Party shall then have no further right to object to the Proposed Activity as described in the Request Notice.

(e) No actual or deemed agreement or consent to, or failure to object to, any given Proposed Activity shall constitute agreement or consent to any aspect of the Proposed Activity which was not disclosed in the Request Notice (including any supplemental information, as noted above), or to any subsequent action or activity of the same or any different nature.

(f) Grantor shall not be obligated to send any Request Notice to Grantee, and Grantee shall not be entitled to bring any action against Grantor, with respect to any prudent activity undertaken by Grantor under conditions of clear and present emergency in a good faith effort to abate or mitigate imminently threatened injury or damage to the Property, or to any persons or other property, as the result of the actual occurrence of a natural catastrophe beyond the reasonable control of Grantor, such as fire, flood, storm and sudden earth movement, or any acts of war.

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8. **Notices.** Each notice, demand, or request of any kind that Grantor or Grantee desires or is required to give to or make of or on the other party under or in connection with this Deed or the Easement shall be given or made as follows:

(a) Except as otherwise explicitly provided in this Deed, such notice, demand, or request shall be given or made in writing and shall be served upon the party being addressed, at the most recent address which the addressed party has provided for such purposes under this Deed, by any of the following means: (i) by delivery in person, (ii) by certified U.S. mail, return receipt requested, postage prepaid, or (iii) by Federal Express or other reputable "overnight" delivery service, provided that next-business-day delivery is requested by the sender.

(b) If delivered in person, such notice, demand, or request shall be deemed given immediately upon delivery (or refusal of delivery or receipt). If sent by certified mail, such notice, demand, or request shall be deemed given on the earlier to occur of: (i) the date of actual delivery or first attempted delivery at such address, as shown by the return receipt; or (ii) the third day after being deposited in the mail. If sent by Federal Express or other reputable "overnight" delivery service, such demand, request, consent, or approval shall be deemed given on the next-business-day after being deposited with the delivery service.

(c) Grantor and Grantee may each, from time to time, by written notice to the other which is given in the aforesaid manner, designate a different address which shall be substituted for the one previously in effect. Subject to such right to change their addresses, the parties initially designate the following addresses for such purposes:

Grantor: A. L. Central Coast Estates, Inc.  
515 West Pender Street, Suite 300  
Vancouver, B.C. V6B 6H5  
Attn: John R. Ellen  
Fax Number (604) 420 5923

Grantee: The Nature Conservancy  
Attn: Legal Department  
201 Mission Street, 4<sup>th</sup> Floor  
San Francisco, CA 94105

with a copy to: The Nature Conservancy  
Central Coast Office  
Attn: Project Director  
1880 Santa Barbara Street, Suite 204  
San Luis Obispo, CA 93401

(d) Where notice to Grantor of entry upon the Property by Grantee is required under this Deed, Grantee may notify any of the persons constituting Grantor or any appropriate agent of Grantor, by telephone, by mail, or in person prior to such entry.

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9. **Public Access.** Nothing contained in this Deed shall give or grant to the public a right to enter upon or use the Property, or any portion thereof, except to the extent explicitly provided for herein.

10. **Additional Representations and Warranties.** In addition to any and all other representations, warranties, covenants, and agreements of the parties set out in this Deed, Grantor hereby represents, warrants, covenants, and agrees to and with Grantee as follows:

(a) Grantor warrants that it has good and sufficient title to the Property in order to grant the Easement, and that all existing liens and other possessory or use rights affecting the Property, if any, have been subordinated to the Easement.

(b) In using the Property, Grantor shall comply with all relevant federal, state, and local governmental acts, statutes, laws, ordinances, codes, rules, regulations, orders, and/or requirements relating to pollution, Hazardous Materials (as hereinafter defined), or the protection of human health or the environment (in each case, an "Environmental Law"), and shall keep the Property free of any material environmental defect, including, without limitation, contamination from Hazardous Materials. The term "Hazardous Materials", as used herein, shall mean the following: (i) material that is flammable, explosive, or radioactive; (ii) petroleum products; and (iii) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC § 9601 et seq. and, hereinafter, "CERCLA"); the Hazardous Materials Transportation Act (49 USC §6901 et seq.); the Hazardous Waste Control Law (Cal. Health & Safety Code §25100 et seq.); the Hazardous Substance Account Act (Cal. Health & Safety Code §25300 et seq.); any rule, regulation, or publication adopted under any of the foregoing laws, or pursuant thereto, or any order or requirement promulgated or issued under or with respect to the foregoing laws; and/or any other federal, state, or local governmental act, statute, law, ordinance, or code related to hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, or pursuant to any rule or regulation adopted pursuant thereto, or publication or order promulgated with respect thereto.

(c) Except as has been previously disclosed by Grantor to Grantee in writing, to the best knowledge of Grantor, the Property (including, without limitation, any associated air, soil, groundwater, and surface water) is currently free of any Hazardous Materials and/or any other conditions which, individually or in the aggregate: (i) pose a significant risk to human health or the environment; (ii) violate any Environmental Law; or (iii) could reasonably be expected to cause any person to incur environmental investigation, removal, remediation, or other cleanup costs.

(d) To the best knowledge of Grantor, except as otherwise specified in this Deed, there are no underground storage tanks located on the Property.

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(e) Grantor shall comply with all applicable Environmental Laws in using the Property, and Grantor shall keep the Property free of any material environmental defect, including, without limitation, contamination from Hazardous Materials.

(f) Grantor has not received notice of, and has no knowledge of, any material violation of any federal, state, or local governmental act, statute, law, ordinance, code, rule, regulation, order, or requirement relating to the Property.

(g) There is no action, suit or proceeding which is pending, or which Grantor knows to be threatened, against the Property, or any portion thereof, relating to or arising out of the ownership or use of the Property, or any portion thereof, in any court or before or by any federal, state, or local governmental department, commission, board, bureau, agency, or other authority.

11. **Operation of Property.** Any permits required for Grantee's activities pursuant to this Deed shall be obtained by Grantee; at its cost and expense, and Grantor agrees to use reasonable efforts to cooperate with Grantee in obtaining such permit. Grantor shall and does retain all responsibility for, and shall bear all costs and liabilities of, the ownership, operation, upkeep, and maintenance of the Property, and agrees that Grantee shall have no duty or responsibility for the operation or maintenance of the Property, the monitoring of hazardous conditions thereon, or the protection of Grantor, the public, or any other person or entity from any risks relating to conditions on the Property. Grantor agrees to pay any and all real property taxes and assessments levied by competent authority on the Property before delinquency, and shall keep Grantee's interest in the Property free of any liens, including those arising out of any work performed for, materials furnished to, or obligations incurred by Grantor. Grantor shall be solely responsible for any costs related to the maintenance of general liability insurance covering acts on the Property. Grantor remains solely responsible for obtaining any and all applicable governmental permits and approvals for any activity or use permitted by this Deed, and any such activity or use shall be undertaken in accordance with all applicable federal, state, and local laws, regulations, and requirements. Nothing herein shall obligate Grantee to appear at any public hearing in support of any permit or entitlement which Grantor may seek with respect to the Property or be construed as a representation, express or implied, on the part of Grantee that Grantor will be able to obtain permits with respect to any development right reserved by Grantor herein with respect to the Improvement Area, that Grantee or any Funding Agency, affirmatively endorses any proposal of Grantor with respect to the Improvement Area or that permits, if available, will not include conditions and environmental or other mitigation measures which may be in addition to and more restrictive than those set forth in this Easement. Nothing herein shall obligate Grantee to waive any rights of Grantee under this Easement in connection with any permit which Grantor may seek with respect to the Property. Without placing any limitation on the foregoing provisions, the parties do not intend this Deed or the Easement to be construed to create in or give to Grantee or any Funding Agency: (a) the obligations or liabilities of an "owner" or "operator" as those words are defined and used in CERCLA or any other Environmental Laws; (b) the obligations or liabilities of a person described in 42 USC §9607(a)(3); (c) the obligations of a responsible person under any applicable Environmental Laws; (d) the right to investigate and remediate any Hazardous Materials associated with the

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Property; or (e) any control over Grantor's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

12. **Indemnification by Grantor.** Grantor hereby agrees to indemnify and defend (i) Grantee, (ii) its officers, directors, employees, agents, invitees, and contractors, and (iii) each of their respective heirs, successors, and assigns, against, and to hold such indemnified parties harmless of and from, any and all claims, costs, liabilities, penalties, damages, or expenses of any kind or nature whatsoever (including, but not limited to, court costs and reasonable attorneys' fees and expenses, whether incurred at the trial, appellate, or administrative level, or in connection with any arbitration) which any of such indemnified parties may suffer or incur, or to which any of such indemnified parties may be subjected, as a result of or arising out of any Violation under this Deed or of the Easement by Grantor, or by anyone acting for or under the authority of Grantor, or any other activities of Grantor on, at, or with respect to the Property, including (but not limited to) the following:

(a) approvals requested by Grantor or given or withheld by Grantee in accordance with the terms hereof, or on account of any claim, liability, damage, or expense suffered or incurred by or threatened against Grantor or any other person or entity, except to the extent that such claim, liability, damage, or expense is the result of the gross negligence or intentional misconduct of Grantee;

(b) any real property taxes, insurance, utilities, assessments, or other charges that are levied against or with respect to the Property, including those for which exemption cannot be obtained;

(c) the operation, upkeep, and maintenance of the Property, including all costs thereof; and

(d) any Hazardous Materials present at the Property, alleged to be present there, or otherwise connected in any way to the Property, whether before, on, or after the date of this Deed.

13. **Indemnification by Grantee.** Grantee agrees to indemnify and defend Grantor, each of the officers, directors, employees, agents, invitees, and contractors of Grantor, and each of the heirs, successors, and assigns of such parties against, and to hold such indemnified parties harmless of and from, any and all claims, costs, liabilities, penalties, damages, or expenses (including, but not limited to, reasonable attorneys' fees and expenses, whether incurred at the trial, appellate, or administrative level) which any of such indemnified parties may suffer or incur, or to which any of such indemnified parties may be subjected, for personal injury or wrongful death arising out of or in connection with the actual use of the Easement by Grantee, except that such indemnification obligation shall not apply to any extent to any claim or demand arising in whole or in part from any negligence or intentional misconduct of Grantor or any of such indemnified parties, or the failure of Grantor or any of such indemnified parties to act, where there is a duty to do so.

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14. **Subsequent Liens on Property.** No provision of this Deed is to be construed as impairing the ability of Grantor to use the Property as collateral for any loan, provided that any lien created thereby shall be subordinate to the terms of this Deed and the Easement.

15. **Effect of Easement.** The parties acknowledge that the Easement is an easement in gross, and that, pursuant to the terms of Section 815 *et seq.* of the California Civil Code: (i) the Property is declared to be open and natural land, and may not be converted or directed to any uses other than those permitted under this Deed and the Easement; (ii) the Easement shall run with and burden the title to the Property in perpetuity, and shall bind Grantor and all of the agents, heirs, devisees, administrators, employees, personal representatives, lessees, and assigns of Grantor, including all future owners, tenants, and occupants of the Property, for the benefit of Grantee and the successors and assigns of Grantee; and (iii) the Easement shall confine the use of the Property to such activities as are consistent with the terms of this Deed, as well as the ecological study of the Property which is permitted hereunder. It is the intent of the parties hereto that, if and when Grantee acquires fee title to any portion of the Property, whether under the Right of First Refusal or otherwise, such fee title shall not merge (whether by operation of law or otherwise) with the rights of Grantee under the Easement, and the Easement shall remain in full force and effect as to all portions of the Property, until and unless explicitly terminated (and then, only to the extent so terminated) in an instrument which is executed and acknowledged by all requisite parties under applicable law, and which is recorded in the Official Records.

16. **Subsequent Transfers by Grantor.** Although subject to the rights of Grantee in the Right of First Refusal, nothing in this Easement itself shall be construed to preclude Grantor from making a subsequent conveyance of rights in the Property to further protect its Conservation Values, provided, however, that no such subsequent conveyance shall impair any Conservation Purpose sought to be advanced by the Easement. Grantor covenants and agrees that the terms, conditions, restrictions, and purposes of this Deed and the Easement, or a clear reference thereto, will be inserted in any subsequent deed, lease, or other legal instrument by which Grantor conveys or otherwise transfers the fee simple title to all or any portion of the Property, or any leasehold, possessory, or other interest in all or any portion of the Property; and (without placing any limitations on the rights of Grantee under the Right of First Refusal) Grantor further covenants and agrees that Grantor shall: (i) except for any transfer of the Property to Ralph and Tracy Covell ("Covell"), notify Grantee of any such transfer at least thirty (30) days in advance of its occurrence; and (ii) provide a true and complete copy of this Deed, as recorded, to each transferee of any interest in the Property. No failure of Grantor to include such language, make such references, give such notice, or provide such copies shall, however, affect to any extent the enforceability of this Easement or any other terms of this Deed. In addition, if Grantee has previously given Grantor written notice of any public or private funding sources which have cooperated with Grantee or assisted Grantee in the acquisition and/or maintenance of the Easement (in each case, a "Funding Agency") which require such notice as well, then Grantor shall give notice of the transfer to each such Funding Agency by the same deadline, at

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the address for such purposes which is supplied by Grantee, and Grantee hereby notifies Grantor that the following Funding Agency will require such notice, at the following addresses:

California Department of Transportation (CalTrans)  
TEA Local Assistance Coordinator, District 5  
50 Higuera Street  
San Luis Obispo, CA 94301

California Department of Transportation (CalTrans)  
EEM Program Coordinator  
Design and Local Programs  
1120 "N" Street  
Sacramento, CA 95814

17. **Severability and Enforceability.** The terms and purposes of this Deed and the Easement are intended to be perpetual. If any provision of this Deed, or the application thereof to any person(s) or circumstance(s), shall to any extent be held to be invalid, illegal, or unenforceable in any respect by any court of competent jurisdiction: (i) neither the remainder of this Deed, nor the application of such provision to any person(s) or circumstance(s), other than those as to whom or which it is held to be invalid or unenforceable, shall be affected thereby; (ii) this Deed shall be construed as though such invalid, illegal or unenforceable provision had never been contained in this Deed; and (iii) every provision of this Deed shall be valid and enforceable to the fullest extent permitted by law. If any provision is so stricken from this Deed, the parties agree to negotiate in good faith any modifications that may be required to effectuate the intent of this Deed and the Easement.

18. **Additional Instruments.** Grantee is authorized to record or file from time to time any and all notices or instruments which may be appropriate to ensure the perpetual enforceability of this Deed and the Easement, including (but not limited to) re-recording this Deed, or a copy thereof, for such purpose. Grantor agrees to execute, acknowledge, and/or deliver (as applicable) any and all such notices or instruments upon request from Grantee to do so, and, in the event of any failure by Grantor to execute, acknowledge, and/or deliver any such notice or instrument, Grantor hereby appoints Grantee as the attorney-in-fact of Grantor for such purpose, authorizing Grantee to execute, acknowledge, and/or deliver any such notice or instrument on behalf of and for Grantor, which appointment is acknowledged by Grantor to be coupled with an interest in the Property, and therefore to be irrevocable.

19. **Interpretation.** It is the intent of this Deed and the Easement to preserve and enhance the existing condition of the Property and each of the Conservation Values protected herein, despite hardship or changes in surrounding conditions. Grantor and Grantee therefore acknowledge and agree as follows concerning the interpretation of this Deed:

(a) The provisions of this Deed shall be liberally construed to effectuate the purpose of preserving and protecting in perpetuity the Conservation Values described above, while

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allowing Grantor to use and enjoy the Property to the extent consistent with those purposes. Liberal construction is expressly required for purposes of effectuating the Easement in perpetuity, notwithstanding hardship or changed conditions of any kind. If any provision in this Deed is found to be ambiguous, an interpretation consistent with the purpose of the Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(b) The parties acknowledge that each party and its counsel have reviewed, revised (where it was deemed appropriate), and approved this Deed, and that no rule of construction that ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Deed.

(c) In the event of any conflict between the provisions of this Deed and the provisions of any use or zoning restrictions of the State of California, the county in which the Property is located, or any other governmental entity with jurisdiction over the Property, the most restrictive provision shall apply.

(d) The terms of this Deed are intended by the parties hereto as a final expression of their agreement with respect to the subject matter hereof, and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Deed constitute the complete and exclusive statement of its terms, and that no extrinsic evidence of any kind which contradicts the terms of this Deed may be introduced in any proceedings (judicial or otherwise) involving this Deed, except for evidence of a subsequent written amendment to this Deed. This Deed may not be modified, amended or otherwise changed in any manner, except by a written amendment executed, acknowledged and recorded by all of the parties hereto, or their successors in interest, and further provided that no such amendment shall be valid or become effective unless the same has been approved in writing by State.

(e) In this Deed, personal pronouns shall be construed as though of the gender and number required by the context, the singular including the plural, the plural including the singular, and each gender including other genders, all as may be required by the context. Wherever in this Deed the term "and/or" is used, it shall mean: "one or the other, both, any one or more, or all" of the things, events, persons or parties in connection with which the term is used. The headings of the various paragraphs of this Deed are intended solely for reference purposes, and are not intended for any purpose whatsoever to modify, explain, or place any construction on any of the provisions of this Deed. This Deed shall be governed by, construed in accordance with, and interpreted under, the internal law of the State of California.

(f) Any and all recitals in this Deed are accurate and shall constitute an integral part of this Deed, and this Deed shall be construed in light of those recitals. Any and all exhibits, schedules, and addenda attached to and referred to in this Deed are hereby incorporated into this Deed as fully as if set out in their entirety herein.



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(g) No remedy or election given by any provision in this Deed shall be deemed exclusive unless so indicated, and each such remedy or election shall, wherever possible, be cumulative with all other remedies at law or in equity. Grantor hereby waives with respect to this Deed and the Easement any defense of laches, estoppel, or prescription.

(h) The terms "Grantor" and "Grantee," wherever used in this Deed, and any pronouns used in place thereof, shall mean and include, respectively: (i) the named Grantor and the personal representatives, heirs, devisees, and assigns of such named Grantor, and all other successors of such Grantor, as their interests may appear; and (ii) the named Grantee and the personal representatives, heirs, devisees, and assigns of such named Grantee, and all other successors of such Grantee, as their interests may appear.

(i) Grantee acknowledges that Covell intends to operate a horse ranch on the Range Area, and Covell shall be entitled to use the Range Area for such purpose, subject, however, to all the terms and conditions set forth in this Easement.

20. **Estoppel Certificates.** Upon request by Grantor from time to time, which shall not be made more often than two times per calendar year, Grantee shall, in each case no later than thirty (30) days after being given notice of Grantor's request therefor, execute and deliver to Grantor an estoppel certificate or similar document which: (i) certifies that, to the best knowledge of Grantee at the time of the execution of such certificate, Grantor is in compliance with the obligations of Grantor contained in this Deed, and (ii) otherwise evidences the status of the Easement, as reasonably requested by Grantor.

21. **Stipulated Fair Market Value.** Grantor and Grantee agree that the Easement gives rise to a property right, immediately vested in Grantee upon recordation of this Deed, which for purposes of this Deed, the parties stipulate to have a fair market value determined by multiplying (1) the fair market value of the Property at the date of this grant unencumbered by the Easement (exclusive of any projected increase in value after the date of this grant attributable to improvements) as set forth in the appraisal approved by each Funding Agency in connection with Grantee's acquisition of this Easement (the "Appraisal") by (2) the ratio of the value of the Easement at the time of this grant, as established in the Appraisal to the value of the Property at the time of this grant, without deduction for the value of the Easement. For purposes of this Deed, the ratio of the value of the Easement to the value of the Property unencumbered by the Easement shall remain constant. If, for any reason, there is a judicial extinguishment of all or substantially all of the restrictions of the Easement as to all or any portion of the Property, Grantee, on any subsequent sale, exchange, or taking of the Property or such portion of the Property as to which the restrictions hereof shall have been extinguished, shall be entitled to a portion of the proceeds at least equal to the stipulated fair market value of the Easement, or proportionate part thereof, as determined in accordance with this Deed.

22. **Condemnation.** If all or any portion of the Property is taken by the exercise of eminent domain by public, corporate, or other authority so as to abrogate the restrictions imposed by this Easement, Grantor and Grantee shall join in appropriate actions at the time of such taking

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to recover the full value of the taking and all incidental or direct damages resulting from the taking, which proceeds shall be divided in accordance with the proportionate value of the interests of Grantor and Grantee at the time of this grant, it being expressly agreed that the Easement constitutes a compensable property right. All expenses incurred by Grantor and Grantee in such action shall be paid out of the recovered proceeds. Any funds so recovered for the value of the Easement by a condemnation judgement (or by sale or any other extinguishment of the Easement) which were provided under the Transportation Enhancement Activities Program (the "TEA Program") or the Environmental Enhancement and Mitigation Program (the "EEM Program") funded by the State of California, acting through the California Department of Transportation ("Caltrans"), also hereinafter referred to as "State," shall be returned to Caltrans unless expressly authorized in writing by Caltrans to be reinvested by Grantee in another TEA Program or EEM Program at another site protected through similar use conditions for the protection of environmental resources. The amount of funds so returned by Grantee to State or reinvested pursuant to this paragraph (the "Returned Funds") shall be calculated as follows: The net proceeds recovered by Grantee (after deduction of Grantee's and Grantors' expenses, as described above) shall be multiplied by a fraction, the numerator of which is the amount of funds granted by Caltrans to Grantee for the acquisition of the Easement (the "Grant Funds") and the denominator of which is \$4,066,500.

23. **Assignment.** Grantee shall have the right to transfer or assign its rights under this Deed or with respect to the Easement, with the prior written consent of State, provided that such consent shall not be unreasonably withheld, to: (a) any appropriate local, state, or federal agency (including, but not limited to, the California Department of Parks and Recreation); and/or (b) any other conservation organization which agrees to enforce the conservation purposes protected by the Easement. This Easement is a perpetual easement, and all provisions hereof shall run with the land and shall remain in full force and effect notwithstanding any transfer of all or part of the Property. If the Property should be owned by more than one person or entity, the obligations hereof of such successors in interest to Grantor shall be joint and several.

24. **Fences** Within one hundred twenty (120) days following the grant of this Easement, Grantor shall cause to be constructed, at Grantor's expense, fences (a) separating the Riparian Area from the Range Area, and (b) separating the Range Area from the Forest Area, along their respective boundaries, as such boundaries are shown on the Map. The design of each of such fences (collectively, the "Fences") shall be reasonably sufficient to deter horses and livestock from entering the Forest Area and the Riparian Area and shall be subject to the approval of Grantee, which approval shall not be unreasonably withheld. The Fences referred to in this Paragraph 24 shall, following completion of the construction thereof as set forth above, be maintained by Grantor in such a fashion that horses and livestock permitted on the Range Area shall be prevented from grazing in the Forest Area and the Riparian Area.

25. **Special Covenant Regarding Road Easement.** With reference to that certain easement for ingress, egress and utilities which affects a portion of the Forest Area which was recorded on April 24, 1995 in the Official Records of San Luis Obispo County as instrument No. 1995-017154 in favor of California Cotton Company (the "California Cotton Easement"), Grantor

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agrees that if Grantor, its successors in interest, including, without limitation, Covell, or any entity owned or controlled by any of them shall acquire that certain real property adjoining the Property which is the dominant estate as described in the California Cotton Easement (the "Dominant Estate"), then the California Cotton Easement shall become subject and subordinate to all of the terms and conditions of this Easement and further provided that notwithstanding anything to the contrary in Paragraph 5 of **Exhibit D** hereto, notwithstanding such subordination, Covell or his successors in interest as owners of the Dominant Estate, shall have the right to widen and improve the Connector Road (as defined in **Exhibit D**, Paragraph 5) within the California Cotton Easement to a width of not to exceed eighteen (18) feet or such lesser width as is reasonably needed to provided access to improvements to be constructed on the Dominant Estate for which all relevant entitlements, including building permits, have been issued by the County of San Luis Obispo and/ or other governmental authorities with jurisdiction.

26. **Special Covenants of Grantee to State.** Grantee hereby acknowledges to State that funds for the acquisition of this Easement were provided by State to Grantee pursuant to that certain unrecorded Program Supplement Agreement No. 53-6081-M by and between State, (acting through Caltrans) and the California Department of Parks and Recreation which refers to the acquisition of the Easement as Project no. STPLE-6081(028) (the "**Program Supplement Agreement**"), and Grantee agrees for the sole and exclusive benefit of State: (i) that Grantee shall carry out its obligations under the Program Supplement Agreement to assure that the Easement is operated and maintained as provided for herein, (ii) that Grantee shall promptly commence enforcement remedies against Grantor in the event of Grantor's default of Grantor's obligations hereunder, including any failure of Grantor to operate and maintain the Property in accordance with the terms and conditions hereof, (iii) that nothing in this Easement shall be deemed to alter, modify or amend the Program Supplement Agreement.

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In witness whereof, Grantor and Grantee have executed this Deed as of the date first above written.

Grantor:

A. L. Central Coast Estates, Inc.,  
a California Corporation

By: [Signature]  
Print Name: JOHN R. ELLEN  
Title: Director  
Date: December 6, 2000.

Grantee:

The Nature Conservancy, a District of  
Columbia non-profit corporation

By: [Signature]  
Print Name: Henry P. Little  
Title: Vice President  
Date: December 5, 2000

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State of California )  
County of San Francisco ) ss.

On December 5, 2000 before me, Kevin P. Jewell  
a Notary Public, personally appeared Henry P. Little  
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/hcr/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.

WITNESS my hand and official seal.

Kevin P. Jewell  
Notary Public



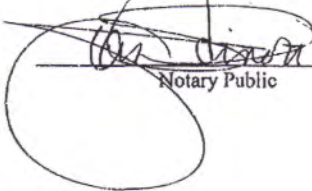
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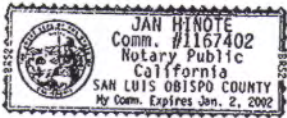
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State of California )  
 ) ss.  
County of San Luis Obispo )

On 12-6-2000 before me, Jan Hinate  
a Notary Public, personally appeared Johanna  
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(s)  
acted, executed the instrument.

WITNESS my hand and official seal.

  
\_\_\_\_\_  
Notary Public



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Order No. 600105

EXHIBIT "A"

Parcel 1:

The North half of the Northwest Quarter of Section 15 and the East half of the Northeast Quarter of Section 16, all in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 2:

The West half of the Northeast Quarter of Section 15 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 3:

The Southwest Quarter of the Southeast Quarter of Section 15 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 4:

The East half of the Northeast Quarter, and the East half of the Southeast Quarter of Section 15, in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 5:

The Northwest Quarter, and the Southwest Quarter of Section 14, in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 6:

That portion of the Rancho Santa Rosa, in the County of San Luis Obispo, State of California, according to map recorded in Book A, Page 42 of patents, described as follows:

Beginning at the South Quarter corner of Section 15, in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, on the North line of said Rancho Santa Rosa, as shown on map filed in Book 15, Page 54 of Record of Surveys;  
Thence North 87°54'52" West, 212.14 feet;  
Thence South 41°31' West, 81.78 feet;  
Thence South 9°17'07" West, 746.54 feet;  
Thence South 18°25'33" East, 443.50 feet;  
Thence South 23°54'43" East, 469.26 feet;  
Thence South 55°00'05" East, 421.76 feet;  
Thence South 33°28'44" West, 231.16 feet;  
Thence South 33°25'18" East, 497.75 feet;  
Thence South 88°17'49" East to the Westerly line of then land described in the deed to William Leffingwell, Sr., recorded February 7, 1885 in Book T, Page 168 of Deeds;

Order No. 600105

Parcel 6 continued

Thence Southerly along said Westerly line to the Southwesterly corner of the land described in said Deed;

Thence Easterly along the Southerly line of the land described in said deed to the Westerly line of the land described in the deed to Jeffrey Phelan, recorded June 19, 1868 in Book B, Page 301 of Deed;

Thence Northerly along the Westerly line of the land described in said deed to Phelan, to the North line of said Rancho Santa Rosa;

Thence Westerly along said North line to the point of beginning.

EXCEPTING THEREFROM that portion of said land described in the Deed to the Cambria Public Cemetery District, recorded July 9, 1940 in Book 279, Page 226 of Official Records. The location of the Westerly boundary thereof was established and fixed by the Boundary Line Agreement recorded July 24, 1968 in Book 1484, Page 308 of Official Records.

EXCEPTING THEREFROM that portion of said land conveyed to Cambria Cemetery District by Deed recorded July 24, 1989 in Book 3356, Page 827 of Official Records.

EXCEPTING THEREFROM the Cambria Cemetery exception described as follows:  
Being a portion of Parcel 1 of PL 88-249, in the Unincorporated Territory of the County of San Luis Obispo, State of California, as shown on the Map filed in Book 61, Page 12 of Records of Surveys in the office of the County Recorder of said County, more particularly described as follows:

Beginning at the most Northerly Corner of Parcel 2 of said PL 88-249 said corner being the Northwesterly Terminus of that certain course described as "North 55°14'06" West, 598.95 feet" for a portion of the Westerly line of said Parcel 1;

Thence North 34°45'54" East, 145.45 feet;

Thence South 55°14'06" East, 598.95 feet;

Thence South 34°45'54" West, 145.45 feet to the most Easterly corner of said Parcel 2;

Thence North 55°14'06" West, 598.95 feet along the Easterly line of said Parcel 2 to the Point of Beginning.

Parcel 7:

That portion of the Rancho Santa Rosa, in the County of San Luis Obispo, State of California, according to map recorded in Book A, Page 42 of Patents, described as follows:

Beginning at the South Quarter corner of Section 15, Township 27, South Range 8 East, Mount Diablo Base and Meridian, on the North line of said Rancho Santa Rosa, as shown on map recorded in Book 15, Page 54 of Record of Surveys;

Thence North 87°54'52" West, 212.14 feet;

Thence South 41°21' West, 81.78 feet;

Thence South 9°17'07" West, 746.54 feet;

Thence South 18°25'33" East, 443.50 feet;

Thence South 23°54'43" East, 469.26 feet;

Thence South 55°00'05" East, 421.76 feet;

Thence South 33°26'44" West, 231.16 feet;

Thence South 33°25'18" West, 497.75 feet to the True Point of Beginning;

Thence North 88°17'49" West, 1598.62 feet, more or less, to the Northeast corner of the land described in the deed to Coalinga-Huron Union Elementary School of Fresno County, California, recorded November 2, 1950 in Book 585, Page 11 of Official Records;

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Order No. 600105

Parcel 7 continued

Thence South 412.88 feet;  
 Thence South 81°41' West, 243.92 feet to corner post PE No. 10;  
 Thence South 11° East, 264.00 feet;  
 Thence South 12° East, 495.00 feet;  
 Thence South 16°30' East, 99.00 feet;  
 Thence South 11°20' East, 198.00 feet;  
 Thence South 13°30' East, 198.00 feet;  
 Thence South 13° East, 152.46 feet;  
 Thence East, 198.00 feet;  
 Thence South 87° East, 264.00 feet;  
 Thence South 87°20' East, 330.00 feet;  
 Thence East, 264.00 feet;  
 Thence North 85° East, 132.00 feet;  
 Thence North 87°30' East, 198.00 feet;  
 Thence South 88° East, 264.00 feet;  
 Thence South 81° East, 99.00 feet;  
 Thence East, 165.00 feet;  
 Thence South 89°30' East, 198.00 feet;  
 Thence North 89°30' East, 607.86 feet to the corner post marked PE No. 12 on the Westerly line of the land described in the deed to Jeffrey Phelan, recorded February 7, 1870 in Book B, Page 761 of Deeds;  
 Thence Southerly along said Westerly line to the Southwesterly corner of the land described in said last mentioned Deed;  
 Thence Easterly along the Southerly line of the land described in said last mentioned deed to the Southeasterly corner thereof;  
 Thence Northerly along the Easterly line of the land described in said last mentioned deed to the Southeasterly corner of the land described in the deed to William Leffingwell, Sr., recorded February 7, 1885 in Book T, Page 168 of Deeds;  
 Thence Westerly along the Southerly line of the land described in said deed to Leffingwell, to the Southwesterly corner thereof;  
 Thence Northerly along the Westerly line of the land described in said deed to Leffingwell to the Easterly prolongation of the course hereinbefore recited as "North 88°17'49" West, 1598.62 feet, more or less";  
 Thence along said Easterly prolongation, North 88°17'49" West to the True Point of Beginning.

EXCEPTING THEREFROM any portion of said land described in the deed to the Cambria Public Cemetery District recorded July 9, 1940 in Book 279, Page 226 of Official Records. The location of the Westerly boundary thereof was established and fixed by Boundary Line Agreement recorded July 24, 1968 in Book 1484, Page 308 of Official Records.

Parcel 8:

That portion of the Rancho Santa Rosa, in the County of San Luis Obispo, State of California, according to map recorded in Book A, Page 42 of Patents, and that portion of Section 23, Township 27 South, Range 12 East, according to the official plat thereof returned to the office of the Surveyor General, described as follows:

Beginning at corner designated SR No. 8 on the Northerly boundary of Santa Rosa Rancho;  
 Thence Westerly along said Northerly boundary 23 chains to the Northwesterly corner of the land described in the deed to Jeffrey Phelan, recorded June 19, 1868 in Book E, Page 301 of Deeds;  
 Thence Southerly along the Westerly line of said Deed and the Easterly line of the land described in the deed to Jeffrey Phelan recorded February 7, 1870 in Book B, Page 761 of Deeds, 65 chains to stake P-3;

2000  
07412

Order No. 600105

Parcel 8 continued

Thence South 56°00' East, 1108.80 feet;  
Thence South 11°30' East, 198.00 feet;  
Thence South 49°30' East, 153.12 feet;  
Thence South 07°00' East, 197.34 feet;  
Thence North 75°00' East, 128.04 feet;  
Thence South 28°00' East, 16.17 feet to the Northwesterly corner of parcel of land conveyed to Paddeus Amat, Bishop of the Diocese of Los Angeles and Monterey, recorded in Book C, Page 161 of Deeds;  
Thence along the Northerly and Easterly line of said deed North 80°15' East, 252.78 feet;  
Thence South 00°30' West, 348.48 feet;  
Thence South 78°10' West, 86.46 feet and South 08°15' East, 238.26 feet to the Northerly line of Main Street in the Town of Cambria;  
Thence along said Northerly street line North 33°50' East, 180.84 feet;  
Thence North 49°05' East, 215.82 feet to the South corner of Campbell's Lot;  
Thence along the Westerly and Northerly lines of Campbell's Lot North 35°45' West, 63.36 feet;  
North 18°30' West, 15.84 feet;  
Thence North 34°00' West, 6864 feet to the West corner of Campbell's Lot;  
Thence North 46°00' East, 53.46 feet;  
Thence North 52°45' West, 140.58 feet;  
Thence North 57°30' East, 108.90 feet to the Northeasterly corner of Campbell's Lot on the Easterly line of the Santa Rosa Rancho;  
Thence along said Easterly Rancho line North 11°30' West to a point which bears South 11°30' East, 180 rods from SR No. 8 on the Northerly line of said Rancho;  
Thence in a Northeasterly direction in a straight line to a point on the North line of Section 23 which bears East of SR No. 8 distant 80 rods;  
Thence along the Northerly line of said Section 23 West, 80 rods to SR No. 8, the point of beginning.

EXCEPTING THEREFROM those portions described in Certificate of Compliance recorded December 8, 1997 as Instrument Nos. 1997-069288, 1997-069289 and 1997-069290 of Official Records.

EXCEPTING THEREFROM The Main Street Commercial Exception described as follows:

Being that portion of Santa Rosa Rancho in the Unincorporated Territory of the County of San Luis Obispo, State of California, more particularly described as follows:

Beginning at the Northeasterly corner of that certain Parcel of land granted in that particular deed recorded December 7, 1870 in Book C, Page 161 of deeds in the office of the County Recorder of said County, said Corner also being the Northeasterly Terminus of that certain course described as "North 82°02'00" East, 252.78 feet" for a portion of the Southerly line of the land shown as "Parcel 38 & 39" on the map filed in Book 59, Page 6 of Records of Surveys in the Office of the County Recorder of said County;  
Thence North 82°02'00" East, 307.85 feet to a point on the Easterly line of said land described as Parcels 38 & 39;  
Thence along the Easterly, Southerly and Westerly lines of said Parcels 38 & 39, the following courses:  
South 09°17'22" East, 65.27 feet,  
South 59°26'38" West, 115.37 feet;  
South 54°41'38" West, 140.58 feet;  
South 47°56'38" West, 53.46 feet;  
South 32°03'22" East, 68.64 feet;  
South 16°33'22" East, 15.84 feet;

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07412

Order No. 600105

Parcel 8 continued

South 33°48'22" East, 63.36 feet;  
South 51°01'38" West, 216.25 feet;  
South 36°21'15" West, 152.80 feet;  
North 11°24'22" West, 219.60 feet;  
North 83°14'57" East, 92.57 feet;  
and North 02°17'00" East, 348.48 feet to the Point of Beginning.

EXCEPTING THEREFROM the Bridge Street Commercial Exception described as follows:

Being that portion of Santa Rosa Rancho in the Unincorporated Territory of the County of San Luis Obispo, State of California, more particularly described as follows:

Commencing at the Northwestern corner of that certain Parcel of land granted in that particular deed recorded December 7, 1870 in Book C, Page 161 of Deeds in the Office of the County Recorder of said County, said corner also being the Southwesterly Terminus of that certain course described as "North 82°02'00" East, 252.78 feet" for a portion of the Southerly line of the land shown as "Parcels 38 & 39 on the map filed in Book 59, Page 6 of Records of Surveys in the Office of the County Recorder of said County;  
Thence North 16°13'00" West, 16.17 feet along the Easterly line of said Parcels 38 & 39 to the True Point of Beginning;  
Thence South 76°47'00" West, 128.04 feet along the Southerly line of said Parcels 38 & 39;  
Thence along the Easterly line of said Parcels 38 & 39 the following courses;  
North 05°13'00" West, 197.34 feet and North 47°43'00" West, 153.12 feet;  
Thence North 76°47'00" East, 192.05 feet;  
Thence South 12°22'14" East, 321.64 feet to the True Point of Beginning.

EXCEPTING THEREFROM the Santa Rosa Cemetery Exception described as follows:

Being that portion of Santa Rosa Rancho, in the Unincorporated Territory of the County of San Luis Obispo, State of California, more particularly described as follows:

Beginning at the Northwestern corner of that certain Parcel of land granted in that particular deed recorded December 7, 1870 in Book C, Page 161 of deeds in the office of the County Recorder of said County, said corner also being the Southwesterly terminus of that certain course described as "North 82°02'00" East, 252.78 feet" for a portion of the Southerly line of the land shown as "Parcels 38 & 39" on the map filed in Book 59, Page 6 of Records of Surveys in the office of the County Recorder of said County;  
Thence North 82°02'00" East, 252.78 feet along the Northerly line of said deed to the Northeasterly corner of said deed Parcel;  
Thence continuing North 82°02'00" East, 59.03 feet;  
Thence North 11°03'22" East, 50.50 feet;  
Thence South 86°07'28" West, 335.74 feet;  
Thence South 12°22'14" East, 55.86 feet;  
Thence South 16°13'00" East, 16.17 feet to the Point of Beginning.



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Order No. 600105

Parcel 12:

All that portion of Lot 1 and the Northwest Quarter of the Northwest Quarter of Section 23 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, lying within that certain parcel of land conveyed and particularly described in the certain deed dated October 8, 1869, executed by Phillip Kaetzel to Jeffrey Phelan and recorded in Book B, Page 706 of Deeds.

Parcel 13:

All that portion of Lots 2 and 3 of Section 23 of Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, lying within that certain parcel of land conveyed and particularly described in the certain deed dated October 8, 1869, executed by Phillip Kaetzel to Jeffrey Phelan and recorded in Book B, Page 706 of Deeds.

Parcel 14:

All that portion of land in the County of San Luis Obispo, State of California conveyed and described in that certain deed executed by Samuel A. Pollard to Jeffrey Phelan and recorded in Book B, Page 301 of Deeds, lying within that certain parcel of land conveyed and described in that certain deed executed by Alice Phelan, et al., to Phelan Land & Cattle Company and recorded in Book 77, Page 295 of Deeds.

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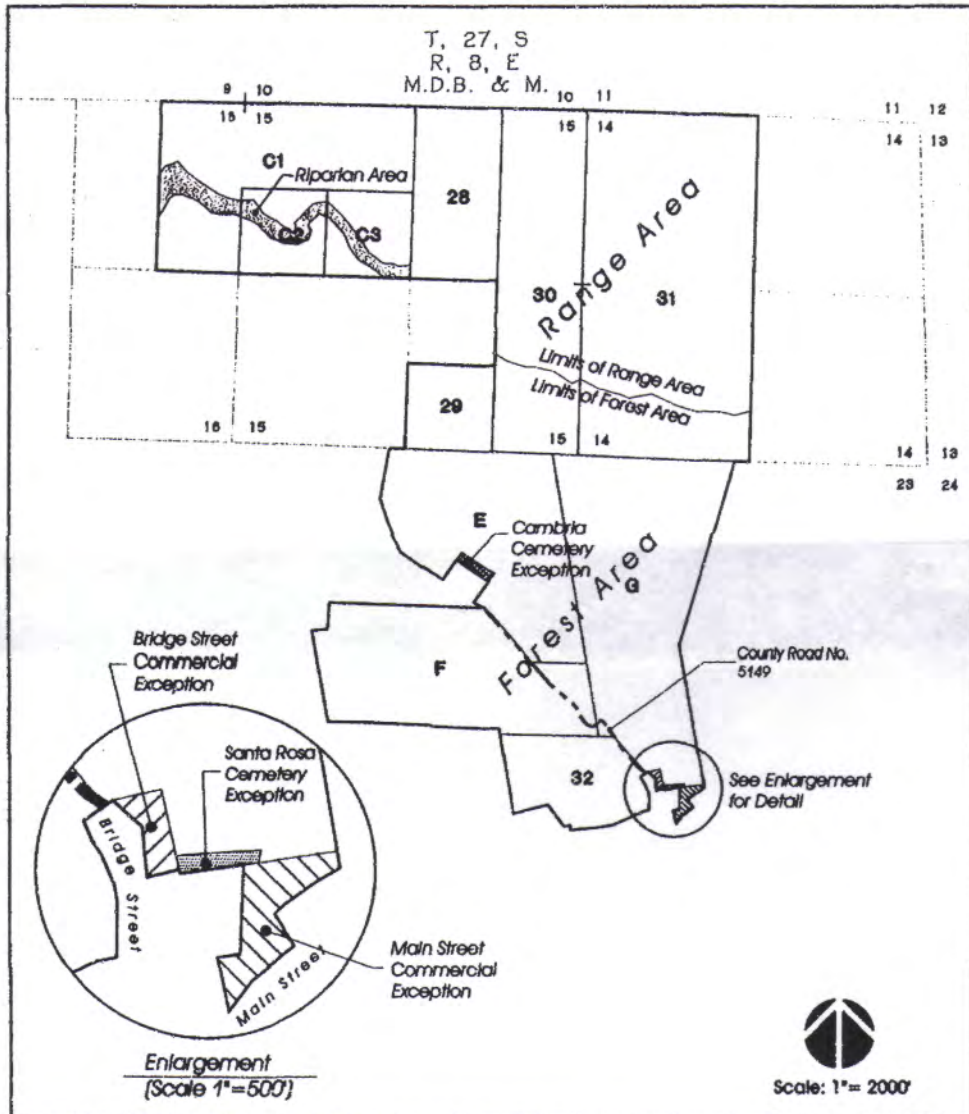
074122

**Exhibit B**  
**Map of Property**

Exhibit B

2000

074122



**EDA** ENGINEERING DEVELOPMENT ASSOCIATES  
 ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
 744 OAK STREET PASO ROBLES, CALIFORNIA 93446

CAMBRIA COAST RANCH  
 EXHIBIT "B"

JOB NO. 32528.000

11/29/00

2000  
07-1-00

### LEGAL DESCRIPTION

BEING A PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 15 AND THE SOUTHWEST QUARTER OF SECTION 14, ALL IN TOWNSHIP 27 SOUTH, RANGE 8 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS A LINE AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 15 SAID CORNER ALSO BEING A 1-1/2 INCH IRON PIPE WITH BRASS TAG STAMPED R.C.E. 29743 AS SHOWN ON THE MAP FILED IN BOOK 59, PAGE 6 OF RECORDS OF SURVEYS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID EAST HALF SOUTH 01°52'59" WEST 1154.66 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 57°43'13" EAST 228.71 FEET; THENCE SOUTH 73°09'56" EAST 287.39 FEET; THENCE SOUTH 87°35'40" EAST 175.81 FEET; THENCE SOUTH 77°01'14" EAST 292.30 FEET; THENCE SOUTH 55°02'50" EAST 330.64 FEET; THENCE NORTH 64°44'19" EAST 154.45 FEET; THENCE SOUTH 61°47'15" EAST 296.01 FEET; THENCE SOUTH 74°17'44" EAST 426.06 FEET; THENCE SOUTH 63°34'51" EAST 88.07 FEET; THENCE NORTH 79°47'33" EAST 357.07 FEET; THENCE SOUTH 85°55'37" EAST 442.41 FEET; THENCE SOUTH 73°12'12" EAST 313.14 FEET; THENCE SOUTH 87°30'01" EAST 387.27 FEET; THENCE SOUTH 76°37'44" EAST 217.98 FEET; THENCE NORTH 75°21'53" EAST 256.28' TO A POINT ON THE EASTERLY LINE OF SAID SOUTHWEST QUARTER OF SECTION 14.

**EDA** ENGINEERING  
DEVELOPMENT  
ASSOCIATES  
ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

CAMBRIA COAST RANCH  
FOREST SETBACK LINE  
ATTACHMENT ONE

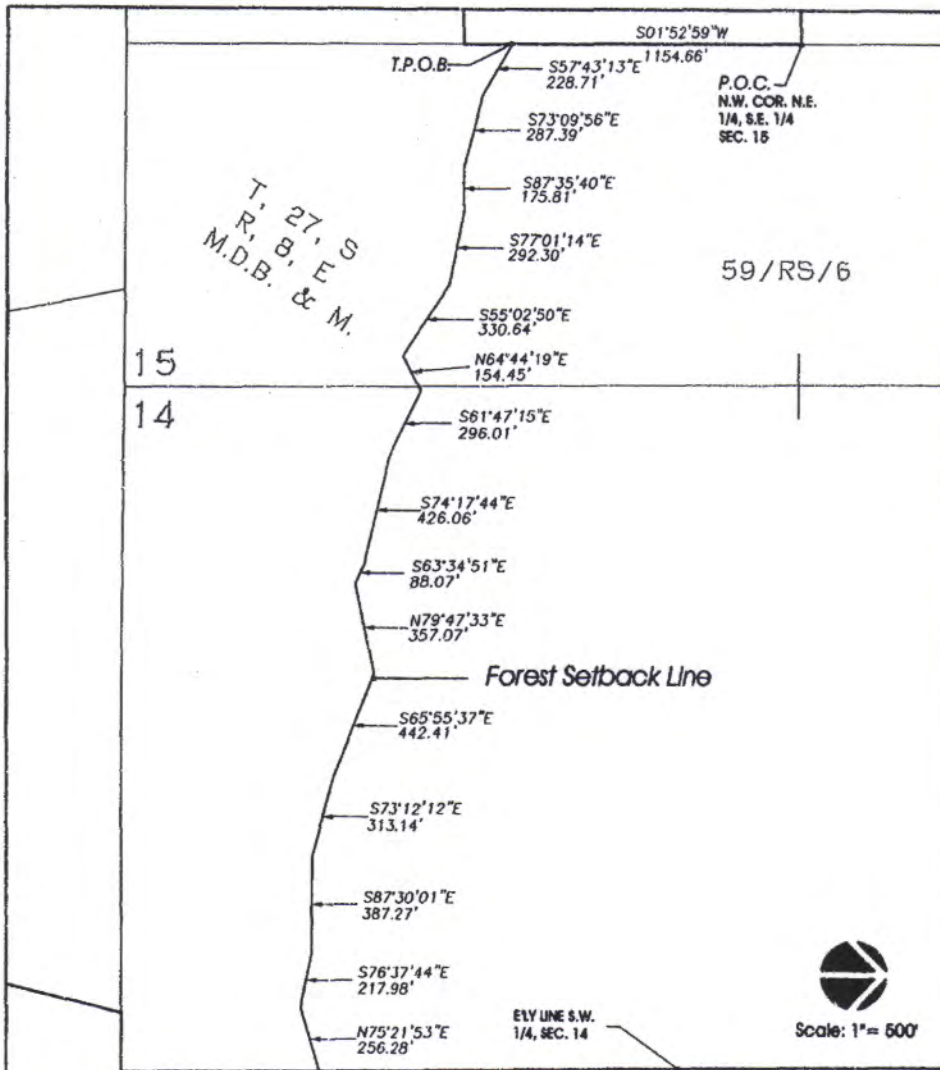
JOB NO. 32528.000

11/29/00



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074122



<b>EDA</b> ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION 744 OAK STREET PASO ROBLES, CALIFORNIA 93446	ENGINEERING DEVELOPMENT ASSOCIATES	CAMBRIA COAST RANCH Forest Setback Line
	JOB NO. 32528.000	11/29/00

2000

074122

### LEGAL DESCRIPTION

BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 15 AND THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 16, ALL IN TOWNSHIP 27 SOUTH, RANGE 8 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 16 SAID CORNER ALSO BEING A 2 INCH IRON PIPE WITH BRASS CAP STAMPED L.S. 2685 AS SHOWN ON THE MAP FILED IN BOOK 59, PAGE 6 OF RECORDS OF SURVEYS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE ALONG THE WESTERLY LINE OF SAID EAST HALF SOUTH 02°02'33" WEST 1142.90 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 32°36'30" EAST 156.64 FEET; THENCE NORTH 69°17'44" EAST 222.76 FEET; THENCE SOUTH 41°37'42" EAST 199.91 FEET; THENCE SOUTH 51°49'22" EAST 196.56 FEET; THENCE SOUTH 56°19'29" EAST 433.77 FEET; THENCE SOUTH 69°15'26" EAST 144.77 FEET; THENCE SOUTH 77°54'29" EAST 186.38 FEET; THENCE NORTH 87°32'45" EAST 227.25 FEET; THENCE SOUTH 36°03'24" EAST 266.14 FEET; THENCE SOUTH 60°30'23" EAST 218.98 FEET; THENCE SOUTH 51°14'52" EAST 311.11 FEET; THENCE NORTH 63°21'53" EAST 74.99 FEET; THENCE NORTH 11°08'56" WEST 119.38 FEET; THENCE NORTH 44°12'55" EAST 416.79 FEET; THENCE NORTH 80°37'22" EAST 227.88 FEET; THENCE SOUTH 45°40'34" EAST 298.97 FEET; THENCE SOUTH 37°56'55" EAST 297.42 FEET; THENCE SOUTH 40°16'34" EAST 95.23 FEET; THENCE SOUTH 30°46'47" EAST 201.79 FEET; THENCE SOUTH 33°36'35" EAST 134.94 FEET; THENCE SOUTH 53°58'44" EAST 267.41 FEET; THENCE SOUTH 85°17'03" EAST 176.54 FEET; THENCE SOUTH 65°40'58" EAST 77.90 FEET; THENCE NORTH 86°27'39" EAST 183.63 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 15; THENCE SOUTH 02°03'36" WEST 210.02 FEET ALONG SAID EAST LINE TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 15; THENCE NORTH 88°16'17" WEST 404.32 FEET ALONG THE SOUTHERLY LINE OF SAID NORTHWEST QUARTER OF SECTION 15; THENCE NORTH 51°47'58" WEST 134.72 FEET; THENCE NORTH 55°11'56" WEST 185.23 FEET; THENCE NORTH 60°27'38" WEST 144.08 FEET; THENCE NORTH 39°37'13" WEST 227.04 FEET; THENCE NORTH 21°18'54" WEST 256.68 FEET; THENCE NORTH 40°24'47" WEST 327.04 FEET; THENCE NORTH 66°09'47" WEST 179.90 FEET; THENCE SOUTH 46°14'23" WEST 241.87 FEET; THENCE SOUTH 32°01'06" EAST 100.11 FEET; THENCE SOUTH 18°05'42" WEST 158.77 FEET;

SHEET ONE OF TWO

**EDA** ENGINEERING DEVELOPMENT ASSOCIATES  
ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

**CAMBRIA COAST RANCH  
RIPARIAN EXCEPTION  
ATTACHMENT TWO**

JOB NO. 32528.000

11/29/00

2000

0074122

**LEGAL DESCRIPTION**

THENCE SOUTH 65°25'19" WEST 188.95 FEET; THENCE NORTH 83°20'55" WEST 223.03 FEET; THENCE NORTH 68°12'30" WEST 199.24 FEET; THENCE NORTH 44°04'32" WEST 336.27 FEET; THENCE NORTH 62°38'09" WEST 86.51 FEET; THENCE NORTH 70°21'55" WEST 280.36 FEET; THENCE SOUTH 89°12'04" WEST 227.99 FEET; THENCE NORTH 77°17'38" WEST 147.72 FEET; THENCE NORTH 47°20'56" WEST 147.62 FEET; THENCE NORTH 51°25'11" WEST 140.71 FEET; THENCE NORTH 70°15'23" WEST 246.07 FEET; THENCE NORTH 88°43'35" WEST 118.22 FEET; THENCE SOUTH 55°31'55" WEST 103.70 FEET; THENCE SOUTH 28°36'34" WEST 179.81 FEET; THENCE SOUTH 32°46'09" WEST 177.85 FEET TO A POINT ON THE WESTERLY LINE OF SAID EAST HALF OF THE NORTHEAST QUARTER OF SECTION 16; THENCE NORTH 02°02'33" EAST 678.70 FEET ALONG SAID WESTERLY LINE TO THE TRUE POINT OF BEGINNING.

SHEET TWO OF TWO

**EDA** ENGINEERING  
DEVELOPMENT  
ASSOCIATES  
ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

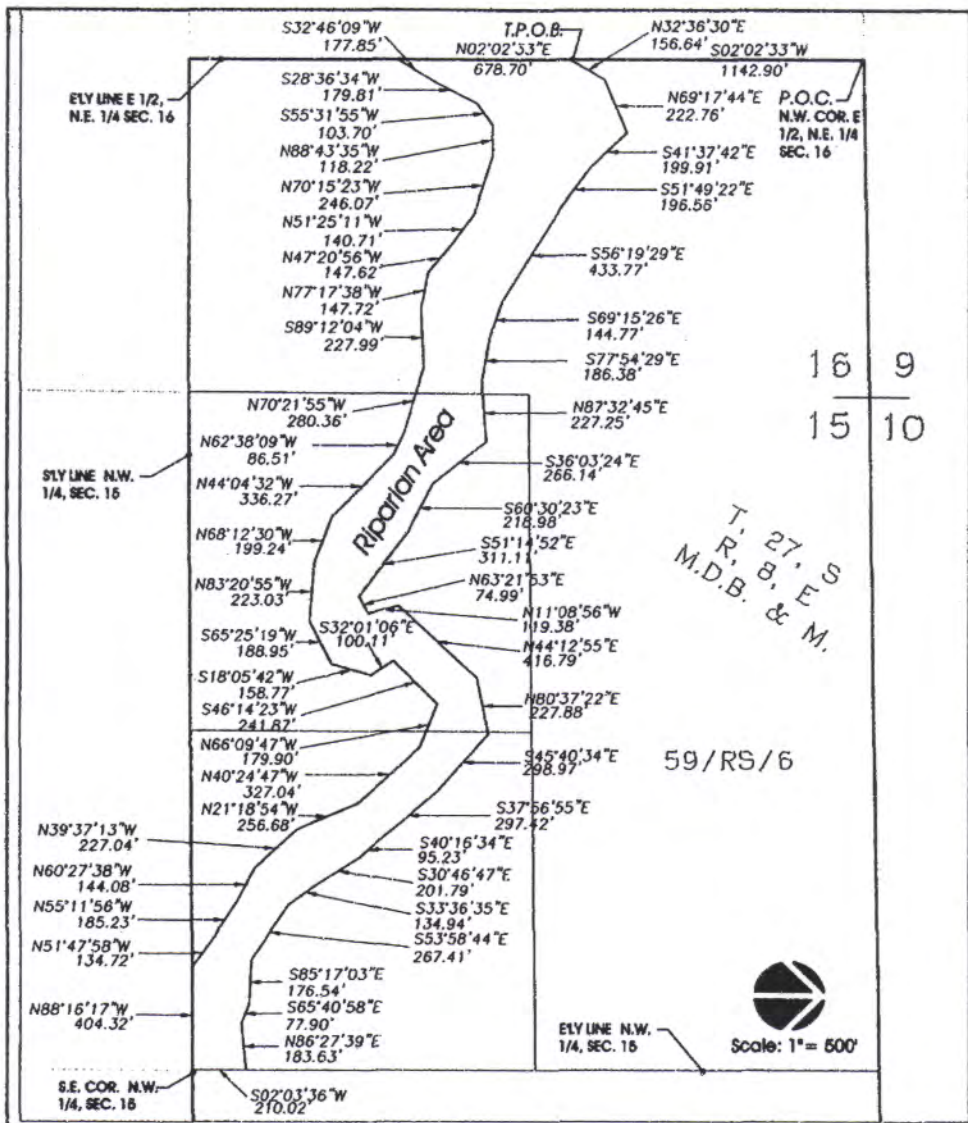
**CAMBRIA COAST RANCH  
RIPARIAN EXCEPTION  
ATTACHMENT TWO**

JOB NO. 32528.000

11/29/00

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2000  
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<b>EDA</b> ENGINEERING LAND SURVEYING 744 OAK STREET PASO ROBLES, CALIFORNIA 93446	<b>ENGINEERING DEVELOPMENT ASSOCIATES</b>	<b>CAMBRIA COAST RANCH</b> Riparian Exception JOB NO. 32528.000 11/29/00
	PROJECT ADMINISTRATION	
	34	

2000

074122

**LEGAL DESCRIPTION**

BEING A PORTION OF PARCEL 1 OF PL 88-249 IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, AS SHOWN ON THE MAP FILED IN BOOK 61, PAGE 12 OF RECORDS OF SURVEYS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF PARCEL 2 OF SAID PL 88-249 SAID CORNER BEING THE NORTHWESTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "NORTH 55°14'06" WEST 598.95 FEET" FOR A PORTION OF THE WESTERLY LINE OF SAID PARCEL 1; THENCE NORTH 34°45'54" EAST 145.45 FEET; THENCE SOUTH 55°14'06" EAST 598.95 FEET; THENCE SOUTH 34°45'54" WEST 145.45 FEET TO THE MOST EASTERLY CORNER OF SAID PARCEL 2; THENCE NORTH 55°14'06" WEST 598.95 FEET ALONG THE EASTERLY LINE OF SAID PARCEL 2 TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 2.0 ACRES MORE OR LESS.

**EDA** ENGINEERING  
DEVELOPMENT  
ASSOCIATES  
ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

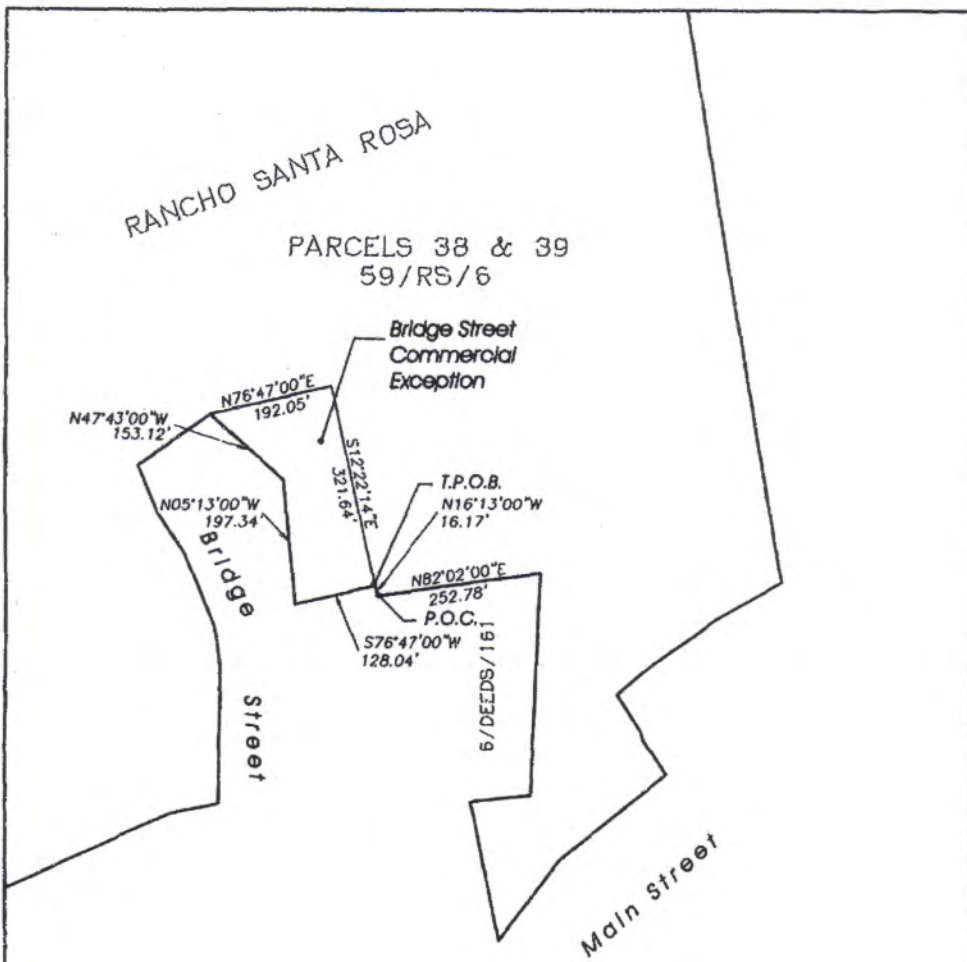
**CAMBRIA COAST RANCH  
CAMBRIA CEMETERY EXCEPTION  
ATTACHMENT THREE**

JOB NO. 32528.000

11/29/00

2000

07412



Scale: 1" = 200'

**EDA**

ENGINEERING  
DEVELOPMENT  
ASSOCIATES

ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

CAMBRIA COAST RANCH

Bridge Street Commercial Exception

JOB NO. 32528.000

11/29/00

2000

074122

### LEGAL DESCRIPTION

BEING THAT PORTION OF SANTA ROSA RANCHO IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND GRANTED IN THAT PARTICULAR DEED RECORDED DECEMBER 7, 1870 IN BOOK C, PAGE 161 OF DEEDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID CORNER ALSO BEING THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "NORTH 82°02'00" EAST 252.78 FEET" FOR A PORTION OF THE SOUTHERLY LINE OF THE LAND SHOWN AS "PARCEL 38&39" ON THE MAP FILED IN BOOK 59, PAGE 6 OF RECORDS OF SURVEYS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 82° 02'00" EAST 252.78 FEET ALONG THE NORTHERLY LINE OF SAID DEED TO THE NORTHEASTERLY CORNER OF SAID DEED PARCEL; THENCE CONTINUING NORTH 82°02'00" EAST 59.03 FEET; THENCE NORTH 11°03'22" EAST 50.50 FEET; THENCE SOUTH 86°07'28" WEST 335.74 FEET; THENCE SOUTH 12°22'14" EAST 55.86 FEET; THENCE SOUTH 16°13'00" EAST 16.17 FEET TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 0.445 ACRES MORE OR LESS.

**EDA** ENGINEERING  
DEVELOPMENT  
ASSOCIATES  
ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

CAMBRIA COAST RANCH  
SANTA ROSA CEMETERY EXCEPTION  
ATTACHMENT SIX

JOB NO. 32528.000

11/29/00

2000

0741

### LEGAL DESCRIPTION

BEING THAT PORTION OF SANTA ROSA RANCHO IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND GRANTED IN THAT PARTICULAR DEED RECORDED DECEMBER 7, 1870 IN BOOK C, PAGE 161 OF DEEDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID CORNER ALSO BEING THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "NORTH 82°02'00" EAST 252.78 FEET" FOR A PORTION OF THE SOUTHERLY LINE OF THE LAND SHOWN AS "PARCELS 38 & 39" ON THE MAP FILED IN BOOK 59, PAGE 6 OF RECORDS OF SURVEYS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 16° 13'00" WEST 16.17 FEET ALONG THE EASTERLY LINE OF SAID PARCELS 38 & 39 TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 76°47'00 WEST 128.04 FEET ALONG THE SOUTHERLY LINE OF SAID PARCELS 38 & 39; THENCE ALONG THE EASTERLY LINE OF SAID PARCELS 38 & 39 THE FOLLOWING COURSES: NORTH 05°13'00" WEST 197.34 FEET AND NORTH 47°43'00" WEST 153.12 FEET; THENCE NORTH 76°47'00" EAST 192.05 FEET; THENCE SOUTH 12°22'14" EAST 321.64 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING AN AREA OF 41,266 SQUARE FEET, MORE OR LESS.

**EDA**

ENGINEERING  
DEVELOPMENT  
ASSOCIATES

ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

**CAMBRIA COAST RANCH**  
BRIDGE STREET COMMERCIAL EXCEPTION  
ATTACHMENT FIVE

JOB NO. 32528.000

11/29/00





2000

074122

### LEGAL DESCRIPTION

BEING THAT PORTION OF SANTA ROSA RANCHO IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY CORNER OF THAT CERTAIN PARCEL OF LAND GRANTED IN THAT PARTICULAR DEED RECORDED DECEMBER 7, 1870 IN BOOK C, PAGE 161 OF DEEDS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, SAID CORNER ALSO BEING THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE DESCRIBED AS "NORTH 82°02'00" EAST 252.78 FEET" FOR A PORTION OF THE SOUTHERLY LINE OF THE LAND SHOWN AS "PARCEL 38 & 39" ON THE MAP FILED IN BOOK 59, PAGE 6 OF RECORDS OF SURVEYS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; THENCE NORTH 82° 02'00" EAST 307.85 TO A POINT ON THE EASTERLY LINE OF SAID LAND DESCRIBED AS PARCELS 38 & 39; THENCE ALONG THE EASTERLY, SOUTHERLY AND WESTERLY LINES OF SAID PARCELS 38 & 39 THE FOLLOWING COURSES: SOUTH 09°17'22" EAST 65.27 FEET, SOUTH 59°26'38" WEST 115.37 FEET, SOUTH 54°41'38" WEST 140.58 FEET, SOUTH 47°56'38" WEST 53.46 FEET, SOUTH 32° 03'22" EAST 68.64 FEET, SOUTH 16°33'22" EAST 15.84 FEET, SOUTH 33°48'22 EAST 63.36 FEET, SOUTH 51°01'38" WEST 216.25 FEET, SOUTH 36°21'15" WEST 152.80 FEET, NORTH 11°24'22" WEST 219.60 FEET, NORTH 83°14'57" EAST 92.57 FEET AND NORTH 02°17'00" EAST 348.48 FEET TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 2.53 ACRES MORE OR LESS.

**EDA**

ENGINEERING  
DEVELOPMENT  
ASSOCIATES

ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

**CAMBRIA COAST RANCH  
MAIN STREET COMMERCIAL EXCEPTION  
ATTACHMENT FOUR**

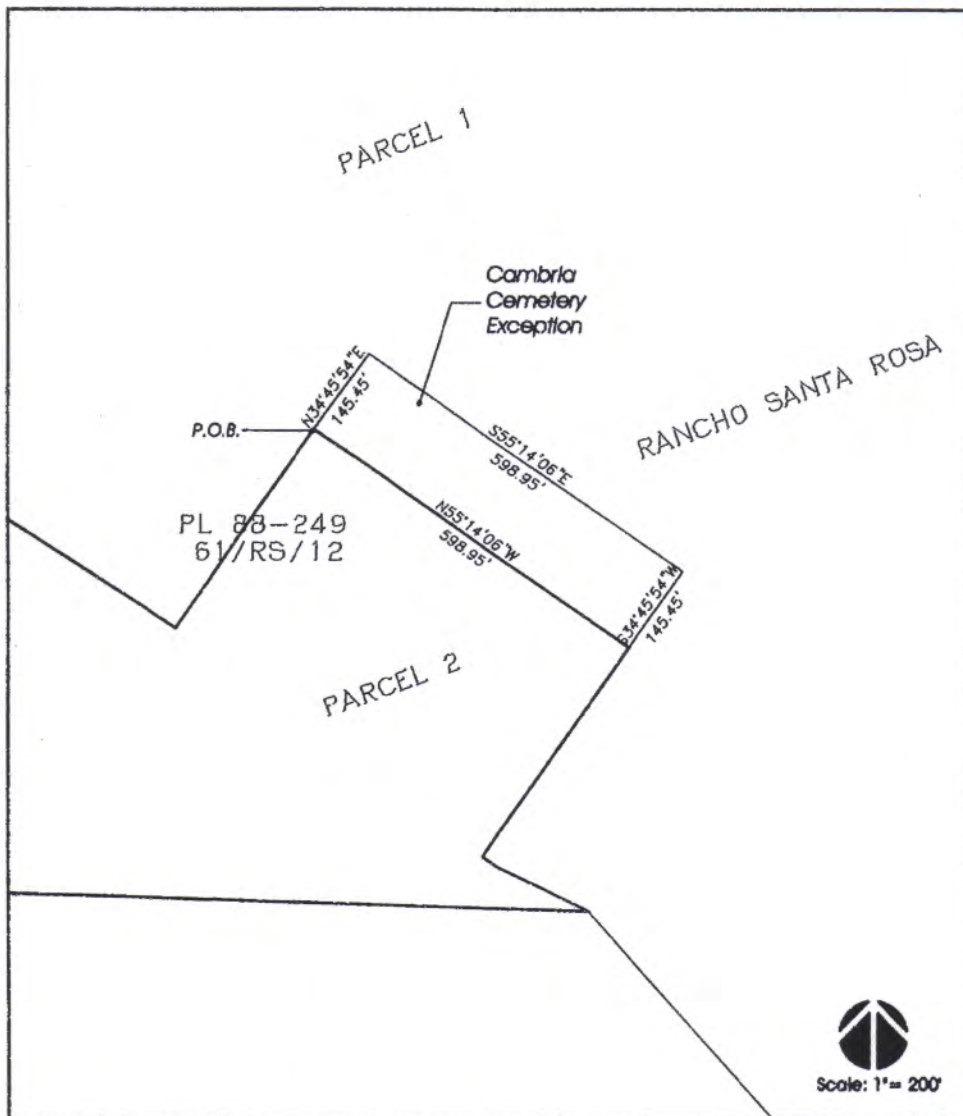
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11/29/00

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**EDA**

ENGINEERING  
DEVELOPMENT  
ASSOCIATES

ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

CAMBRIA COAST RANCH  
Cambria Cemetery Exception

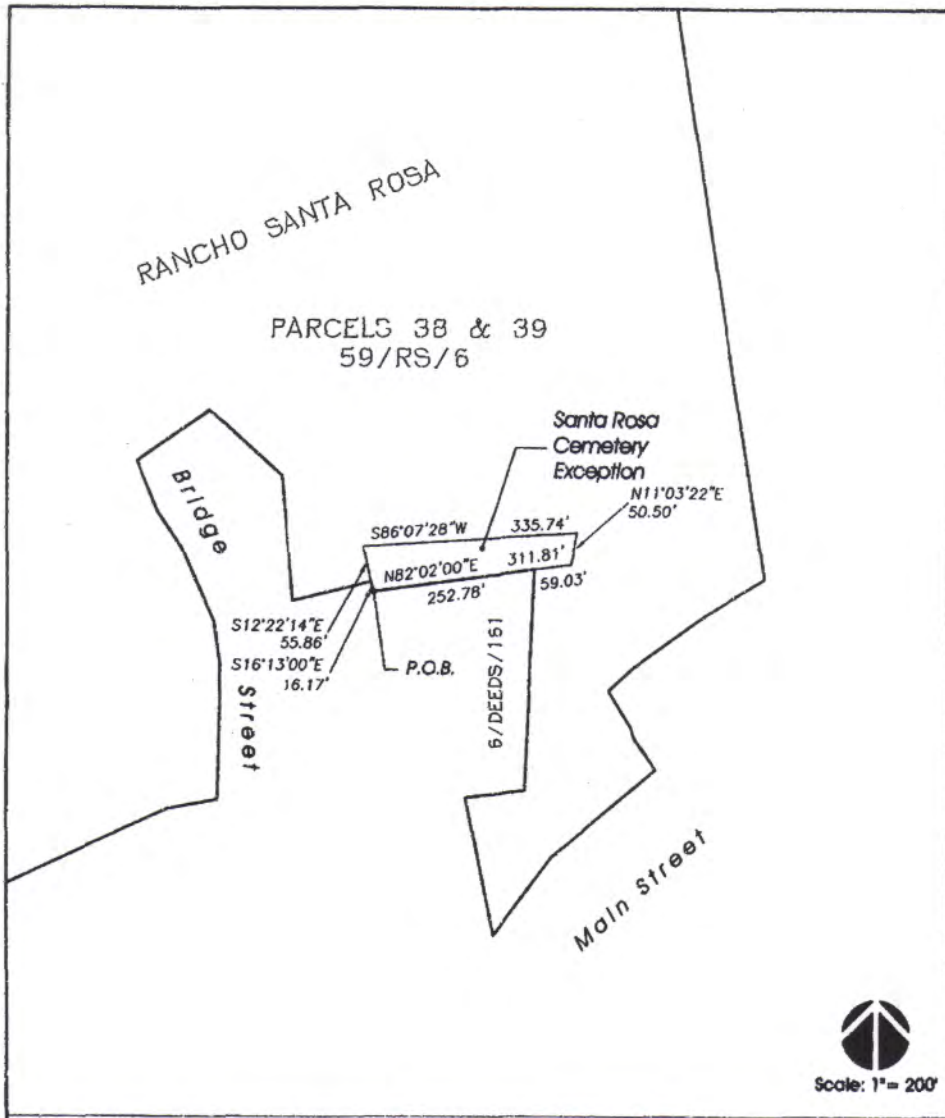
JOB NO. 32528.000

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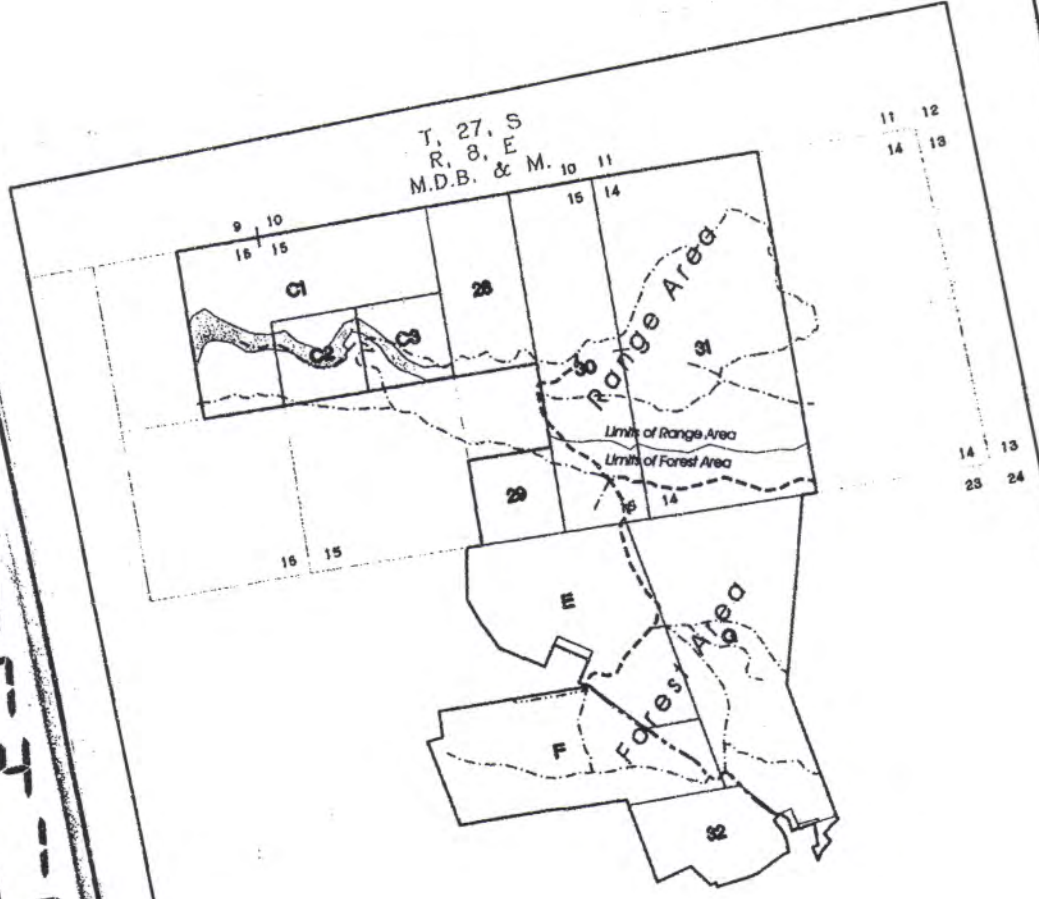


<b>EDA</b> ENGINEERING LAND SURVEYING PROJECT ADMINISTRATION 744 OAK STREET PASO ROBLES, CALIFORNIA 93448	ENGINEERING DEVELOPMENT ASSOCIATES	CAMBRIA COAST RANCH Santa Rosa Cemetery Exception
	JOB NO. 32528.000	11/29/00

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Legend

- Roads
  - County Road No. 5149
  - Connector Roads
  - Service Roads
  - Emergency Service Road



Scale: 1"= 2000'

**EDA**

ENGINEERING LAND SURVEYING  
744 OAK STREET PASO ROBLES, CALIFORNIA 93446

ENGINEERING DEVELOPMENT ASSOCIATES  
PROJECT ADMINISTRATION 93446

CAMBRIA COAST RANCH  
ATTACHMENT SEVEN

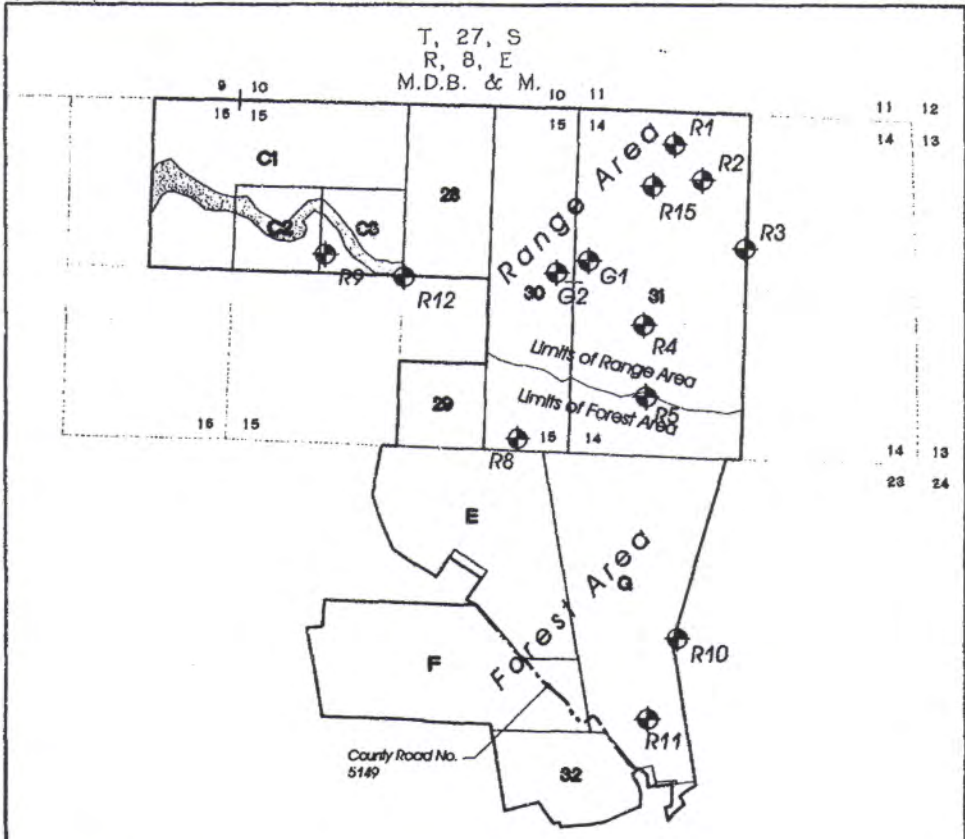
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Legend

Water Well  
R1



Scale: 1" = 2000'

<b>EDA</b>	ENGINEERING	ENGINEERING	CAMBRIA COAST RANCH
	LAND SURVEYING	DEVELOPMENT	
744 OAK STREET	PROJECT ADMINISTRATION		
PASO ROBLES, CALIFORNIA 93448		JOB NO. 32528.000	11/30/00

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Exhibit C

Specific Rights of Grantee

In furtherance of the purposes of the Easement, Grantee shall, in addition to the rights otherwise set forth in the Easement, have the following additional specific rights:

- (1) the right to use controlled burning, biological control agents, pesticides, herbicides or other biocides to control noxious weeds and to eliminate non-native plant species from the Property outside of the Compounds (as hereinafter defined in Exhibit D, Paragraph 8(d)) in order to further the Conservation Purposes, where necessary or desirable in the judgement of Grantee, exercising its reasonable discretion, provided, however, that such use shall be with the prior consent of Grantor, which shall not be withheld or delayed unreasonably; and provided, further, that any controlled burns by Grantee shall be done only within the Forest Area, pursuant to a plan for such prescribed burns that will create a control buffer with respect to any developed portions of the Property and adjacent properties, with such plans to be subject to Grantor's consent, which shall not be withheld or delayed unreasonably;
- (2) the right to plant, maintain, preserve, protect and/or remove native vegetation in the Forest Area, at the expense of Grantee, as may be appropriate in order to further the Conservation Purposes of the Easement, in the judgement of Grantee, exercising its reasonable discretion; provided, however, that the words "at the expense of Grantee" as used above and elsewhere in this Exhibit C shall mean that if Grantee chooses to exercise the right, Grantee shall bear the expense associated with the exercise of such right; however, nothing in such language shall be construed as conferring a duty upon Grantee to exercise such right;
- (3) the right to remove material from waterways and plant, maintain, preserve, protect and/or remove riparian and aquatic vegetation within the Riparian Zone, at the expense of Grantee, as may be appropriate in order to further the Conservation Purposes of the Easement, in the judgement of Grantee, exercising its reasonable discretion; provided that the foregoing does not interfere unreasonably with Grantor's permitted use of the Range Area;
- (4) the right to plant, maintain, and/or remove native vegetation in the Range Area, not including the Compounds (hereinafter defined in Exhibit D, Paragraph 8(d)), at the expense of Grantee, as may be appropriate in order to further the Conservation Purposes of this Easement, provided, however, that such use shall be subject to Grantor's consent, which shall not be withheld or delayed unreasonably;
- (5) the right to control or eradicate, at the expense of Grantee, feral and non-native animals outside of the Compounds (as such term is defined in Exhibit D), by control methods including (but not limited to) draining and/or application of rotenone or other chemical controls to ponds containing non-native aquatic species, it being understood that (i) any use of traps, firearms,

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chemicals or other dangerous methods within any portion of the Range Area shall require the prior consent of Grantor, which shall not be withheld or delayed unreasonably, and (ii) for purposes of this Easement, all cats found in the Riparian Area shall be presumed to be feral cats, and the consent of Grantor shall not be required for the control or eradication of the same;

(6) the right to undertake actions to introduce or reintroduce those animal species of concern known to occur, or to have occurred in the area, it being understood that any such introduction or reintroduction shall be only in the Forest Area and the Riparian Area, and shall require the prior consent of Grantor, which shall not be withheld or delayed unreasonably;

(7) the rights (i) to erect the fencing referred to in paragraph 24 of this Easement at Grantor's expense (if Grantor does not timely erect such fences), (ii) to maintain and replace, at Grantor's expense, the fencing referred to in Paragraph (7)(i) above, if Grantor shall fail to maintain or, when reasonably needed because of deterioration or damage thereto, replace the fencing referred to in subparagraph (7)(i) above, and (iii) to erect and maintain, at Grantee's expense, fencing at the boundaries of the Forest Area with adjacent properties owned by third parties, and (iv) to remove, at Grantee's expense, fences within the interior of the Forest Area as may be appropriate in order to further the purposes of the Easement, in the judgement of Grantee, exercising its reasonable discretion; provided that the foregoing does not interfere unreasonably with Grantor's permitted use of the Property;

(8) the right to erect, maintain, and/or remove, at the expense of Grantee, one or more signs or other appropriate markers in prominent locations on the Property, visible from public roads or other adjoining property, bearing information indicating: (a) that the Property is protected by the Easement; and/or (b) the participation of Grantee and of any of the Funding Agencies in the acquisition and/or maintenance of the Easement; the wording of which shall be decided upon by Grantee and/or the Funding Agencies (as applicable), exercising their reasonable discretion, but may in any case include such logos as the Funding Agencies may desire, and shall clearly indicate that the Property is privately owned and not open to the public;

(9) the right of entry by Grantee and its employees and agents, following seventy-two (72) hours prior written notice to Grantor, onto the Forest Area and the Riparian Area, for the purpose of conducting wildlife, plant and habitat studies, research and monitoring, including monitoring of compliance by Grantor with the terms of this Easement;

(10) the right of entry by Grantee and its employees and agents onto the Range Area to monitor compliance by Grantor with Grantor's obligations to build the Fences as required under Paragraph 24 of this Easement and, after timely completion by Grantor of the Fences, the right of entry onto the Range Area shall be not more than one (1) time per calendar year for the purpose of monitoring of compliance by Grantor with the other terms of this Easement, with seventy-two (72) hours prior written notice to Grantor, and further provided that, Grantor shall have rights of entry to the Range Area which shall not be limited by such once per calendar year limitation, as



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follows: (i) if any Request Notice has been given to Grantor which relates in any way to the Range Area, Grantee may enter the Range Area as reasonably needed to evaluate such Request Notice; (ii) if Grantor shall obtain any building permit or other permit which allows any construction or alteration of the Range Area, Grantee may enter the Range Area up to four (4) times per calendar year to evaluate and monitor the construction or alteration activities of Grantor in connection with such permit; and (iii) the entry rights of Grantee set forth in Subparagraph 3 (d) shall not be affected by any limitations set forth above. Upon completion of construction of all development within the Compounds, hereinafter defined, and Grantor is not then in default of any of its obligations hereunder, Grantee's right of entry to the Range Area for the purpose of monitoring of compliance with building permits shall terminate; and

(11) the right of entry onto the Forest Area, upon reasonable advance notice to Grantor, of supervised groups of not more than forty (40) persons, for the purpose of conducting educational and natural history tours of the Forest Area during Saturday and Sunday of not more than four (4) weekends per year. Such tours shall not be permitted to enter the Range Area or the Riparian Area without Grantor's prior written permission, which may be withheld by Grantor at its sole discretion. Entry onto the Property by Grantee and its employees and agents for the other purposes set forth above or elsewhere in this Deed shall not count against such entry limit or, except as otherwise specifically provided herein, require Grantor's prior consent.

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Exhibit D

**Consistent Uses of the Property**

The following are set forth both to list specific permitted activities at the Property, and in order to provide guidance to Grantor in determining the consistency of other activities with the Conservation Purposes of the Easement, it being understood and agreed that certain activities referred to in this Exhibit D are limited or restricted by other provisions of this Easement, including, without limitation, Exhibit E hereto, and that no failure of Grantor to comply with the following provisions shall bind Grantee, impair the validity of the Easement, or limit the enforceability of the Easement in any way:

1. **Maintenance and Repair.** Maintenance and repair of existing improvements, such as fences, roads, trails, livestock watering areas, levies, and flood control structures present and existing on the Property at the time that the Easement is created, and, in the event of the destruction of any existing improvements, to replace such improvements with others of similar size, function, location, and materials, and in a manner consistent with the Conservation Purposes of the Easement. In addition, dead, diseased or hazardous trees or portions thereof may be removed pursuant to a Forest Management Plan or if there is imminent danger to life, infrastructure or buildings.

2. **Recreational Uses.** Recreational uses of the Property for personal, noncommercial purposes, including, but not limited to, bird watching, hiking, horseback riding, and picnicking, provided that these uses require no surface alteration or other development of land. Horseback riding, riding of other animals, and wagons, carriages or other vehicles drawn by horses or other animals shall not be permitted in the Forest Area, except that the owner of the Master Parcel, (as defined in Paragraph 4 of Exhibit E to this Easement) shall have the right to permit, incident to the operation of the Horse Ranch and Equestrian Facility otherwise permitted herein, horseback riding on presently existing roads in the Forest Area by not more than twenty (20) horseback riders per day accompanied or supervised by the owner of the Master Parcel. The owner of the Master Parcel shall have the further right to permit daily use of presently existing roads in the Forest Area as shown on the Map by not more than five wagons, carriages or other vehicles drawn by horses or other animals. In addition, if Covell shall acquire the Property, one group of up to three horseback riders per day from the Covell family, led by Ralph Covell or Tracy Covell, shall, so long as Ralph or Tracy Covell continue to own the Master Parcel, have the right to horseback ride anywhere in the Forest Area on horseback, excluding areas in which Grantee is conducting active biological monitoring (such right is hereinafter referred to as the "Covell Riding Right"). Grantee shall send notice to Grantor regarding any areas in the Forest Area which will be subject to biological monitoring identifying the portions of the Forest Area and the periods of time within which such biological monitoring will occur. The Covell Riding Right is not assignable by Covell except through written transfer to a single Designated Descendant, as provided below. Upon the death or disability of Ralph and Tracy Covell, no more than one individual who is a lineal descendant (hereinafter, the "Designated Descendant") of either of them to whom the Covell Riding Right has been transferred, may, during the lifetime of such Designated Descendant, own and exercise the Covell Riding Right; provided, however, that Grantee shall, upon each such transfer be given written notice by such transferee that such transfer has occurred and of the name and address of the Designated Descendant to whom the

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Covell Riding Right has been transferred. In similar fashion, successive transfers of the Covell Riding Right shall be permitted upon the death or disability of each then holder of the Covell Riding Right, provided that the entire Covell Riding Right shall be held by no more than one Designated Descendant at any one time. The Covell Riding Right shall terminate upon the earlier to occur of the following: (i) 200 years from the date of grant of this Easement; (ii) the failure of Covell or any lineal descendant of either of them, either to own the Master Parcel or to own all ownership and voting interests in a partnership, corporation, limited liability company, trust or other entity which owns the Master Parcel; (iii) more than one living lineal descendant of Covell claims to be a Designated Descendant; or (iv) Covell or any Designated Descendant fails to prevent material violations of the Covell Riding Right or any of the other horse riding rights in the Forest Area provided for above in this Paragraph 2.

3. **Signs.** The erection of non-illuminated signs or other appropriate markers in prominent locations on the Property shall be permitted, provided that such signs or markers are visible from a road or from adjoining property and either (i) state that no trespassing or no hunting is allowed on the Property or (ii) are for the purpose of guiding visitors to the Equestrian Facility and Horse Ranch.

4. **Leases and other Transfers.** Leasing of the Range Area, or portions thereof, to third parties shall be permitted, provided that any lease for a period of five (5) or more years shall require the prior written approval of Grantee, which shall not be withheld or delayed unreasonably. Other transfers of the Property, or portions thereof, shall be permitted, provided that the transfer is not prohibited under this Deed and that Grantor shall notify Grantee before the transfer of the Property, and the document of conveyance shall expressly incorporate by reference this Deed.

5. **Roads and Trails.** The maintenance and repair of existing roads as shown on the Map shall be permitted. Grantor shall have the right, within the Improvement Area, to construct, maintain and improve existing as well as new roads and trails, but only as reasonably necessary for the permitted uses of the Improvement Area under this Deed, and further provided that they do not substantially diminish or impair the Conservation Values of the Property and are consistent with the purposes of the Easement. Existing roads in the Forest Area as shown on Attachment 7 to the Map are of three categories, as follows (i) Bridge Road and the existing road which intersects Bridge Road in the vicinity of the Cambria Cemetery and leads to the Historic Residence and the road subject to the easement referred to in paragraph 25 of this Easement are identified on Attachment 7 to the Map and are hereby collectively referred to as the "Connector Roads," (ii) all other roads in the Forest Area as shown on Attachment 7 to the Map except the Emergency Service Road, defined below, are hereby collectively referred to as the "Service Roads," and (iii) the "Emergency Service Road," as shown on Attachment 7 to the Map which shall be used solely by emergency service vehicles for emergency ingress and egress in the event of a forest fire or other emergency. No new road or trail shall be constructed in the Forest Area; provided, however, that, subject to the prior review and written approval by Grantee of all relevant plans therefore, Grantor shall have the right to improve in their present location and with their present grades and elevations, existing Connector Roads as private roads with a paved surface not wider than the minimum width required by any relevant governmental agency as and when needed to provide access to uses of the Improvement Area otherwise permitted herein Grantor shall have the right to maintain all existing Service Roads and the Emergency Service

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Road to a maximum width of eight (8) feet, provided that the width of the Service Road and the Emergency Service Road may be not to exceed ten (10) feet in road sections where, because of sharp curves or other terrain features, the Service Road or the Emergency Service Road would otherwise be impassable to service vehicles reasonably needing access to the Service Roads or the Emergency Service Road. The Service Roads and the Emergency Service Road shall not be paved or extended; provided that gravel may be selectively applied in areas which would otherwise become impassable in inclement weather. Grantor shall, within 120 days of the date hereof, install and maintain a gate at the point of ingress and egress to the Property of such Emergency Service Road; said gate shall at all times remain locked with a "Knox Box" or equivalent electronic or pass-key device with access codes or keys limited to the Property owners and governmental emergency vehicles, such as fire engines. All roads and trails on the Property shall remain private, and Grantor shall not grant, dedicate or otherwise allow or create any public or private road or any public or private trail easement over any portion of the Property without Grantee's prior written consent, which may be withheld in its sole discretion.

6. **Control of Trespass.** Grantor shall have the right to control access to the Property (subject to the terms of this Deed) and to prevent trespass on the Property. Grantor may build a chain link fence on the common boundary between the Property and the Town of Cambria.

7. **Removal of Improvements.** Grantor shall have the right to remove improvements from the Property, so long as it is done consistently with the term of this Deed and the Easement; provided, however that Grantor shall not remove any improvements from the Property installed or created by Grantee, without Grantee's prior written consent, in its sole discretion.

8. **Improvement Area.** Grantor shall have the right to use the Improvement Area (defined as the Range Area exclusive of the Exclusion Area, as defined in Paragraph 4 of the Easement) for the construction, maintenance, repair, and (where permitted under this Deed) the replacement of the following (collectively, the "Improvements"), subject to all applicable terms of this Deed:

(a) up to five (5) new single family residences. Each such new residence shall be situated in a Residential Compound, determined as follows: Grantor may, on each of not more than five (5) legal parcels within the Improvement Area, as the same be reconfigured by lot line adjustments otherwise permitted herein, designate one area of not to exceed six (6) contiguous acres with a reasonably compact shape, such a four sided polygon, an oval or a circle (each of such areas is referred to herein as a "New Residential Compound"). Each New Residential Compound shall contain not more than one new single family residence (each, a "New Residence") together with any and all other structures, improvements and landscaping associated with such New Residence, including, garage, barn, tool sheds, guest houses and other out-buildings, pools and tennis or other game courts, gardens, septic fields, and landscaping. Grantor may select and designate the location and configuration of each New Residential Compound at such time as Grantor elects; provided that: (i) the well or wells providing water to the New Residential Compound may be situated in the Range Area outside of the Compound, (ii) no portion of any New Residential Compound (including, without limitation, the septic field in such Residential Compound) shall be closer than 100 meters from the Riparian Area or closer than

240 meters from the Forest Area; and (iii) notwithstanding any reconfiguration of parcels incident to lot line adjustments permitted hereunder, no New Residential Compound shall be located within the Exclusion Area.

(b) the larger of the two existing single family residential structures presently situated in a portion of the Improvement Area shown on the Map as the northerly portion of Parcel 31, which is historically significant (the "Historic Residence"), may be maintained and restored by Grantor. Grantor may elect to maintain a small residence situated approximately 10 meters northerly of the Historic Residence (the "Adjacent Residence") until such time as Grantor shall receive permits for the five New Residences referred to above. Prior to any further improvement by Grantor of or within a radius of 100 meters from the Historic Residence, Grantor shall designate an area of not to exceed six (6) contiguous acres with a reasonably compact shape such as a four sided polygon, a circle or an oval (such area is referred to herein as the "Historic Residential Compound"). The Historic Residential Compound shall contain the Historic Residence together with the Existing Barn and any and all other structures, improvements and landscaping which may now or in the future be associated with the Historic Residence, including, garage, tool sheds, guest houses and other out-buildings, pools and tennis or other game courts, gardens, septic fields, and landscaping;

(c) No existing residences, if any, on the Property other than the Historic Residence and the Adjacent Residence shall be restored or otherwise used as habitation by Grantor and all of such residences, if any shall be demolished prior to the issuance of a building permit for any New Residence. Prior to, and as a condition of Grantee's consent to the issuance of a building or grading permit for the fifth of the New Residences, Grantor shall do one of the following: (i) demolish and remove such Adjacent Residence, (ii) expand the Historic Residence so that the Adjacent Residence becomes integrated into and part of the Historic Residence in such a fashion that it is no longer a residential use separate from the Historic Residence, or (iii) permanently convert the Adjacent Residence to an otherwise permitted nonresidential use, such as laundry facility or storage, so that at no time shall there be more than six single family residences within the Improvement Area

(d) a large existing barn presently situated within approximately 150 meters from the Historic Residence (the "Existing Barn") may be used by Grantor as a barn and maintained, and, as necessary, replaced in approximately its present location.

(e) an equestrian facility (the "Equestrian Facility") may be constructed by Grantor in support of a horse ranch (the "Horse Ranch") which may be operated by Grantor on the Range Area, subject to the compliance by Grantor with all of the following conditions: (1) the Equestrian Facility shall be situated in an Equestrian Facility Compound, determined as follows: Grantor may, within the Improvement Area, designate an area of not to exceed sixteen (16) contiguous acres with a reasonably compact shape, such as a four sided polygon, a circle or an oval (the "Equestrian Facility Compound"). (The Equestrian Facility Compound, the Historic Residential Compound and the New Residential Compounds are collectively referred to herein as the "Compounds"), (2) the Equestrian Facility Compound shall contain all stables, corrals, holding pens, an arena and all other offices and structures used as part of or in connection with the Horse Ranch, including storage buildings for tools, equipment, wagons, horse trailers and vehicles; and not more than five (5) trailers to house a total of not more than 20 persons, each of

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whom must be serving as an employee of the Equestrian Facility and Horse Ranch, and (3) Grantor shall not locate the Equestrian Facility Compound within 200 meters of the Forest Area or the southerly boundary of Parcel 28 or within 150 meters of the southeasterly extension of the centerline of the seasonal creek which flows from the Forest Area in the vicinity of the intersection of the northerly boundary of the Forest Area and the common boundary of Parcel 31 and Parcel 30 and drains into the Riparian Area . Notwithstanding the foregoing, the following may be located in the Range Area outside of the Equestrian Facility Compound: (i) fences, cross fences, and fenced or unfenced pastures related to the operation of the Horse Ranch, (ii) shade shelters for horses in pastures of the Horse Ranch in the Range Area outside of the Equestrian Facility Compound, (iii) if it is not otherwise in the Equestrian Facility Compound designated by Grantor, the Barn , and (iv) horse paths and roads reasonably necessary through the Range Area for the operation of the Horse Ranch, provided, however, that such horse paths and roads shall not cross the Riparian Area in more than three locations. At each such crossing of the Riparian Area, Grantor shall construct a pair of gates in the Fence at locations where the topography permits the crossing without more than 30 meters of lateral movement incident to such crossing, and the gates shall be opened only for crossings of horses and vehicles which are supervised by Grantor or his assigns as owners of the portion of the Range Area in the vicinity of such gates.

Grantor shall have no right to develop or improve the Property (whether for residential, commercial, industrial or other purposes) other than for constructing the Improvements as and where permitted in this Deed, and Grantee shall be under no obligation, express or implied, to consent to any expansion of the development or other rights of Grantor beyond those specifically provided for herein.

9. **Installation and Maintenance of Improvements.** The Improvements permitted on the Property pursuant to this Deed shall be constructed, installed, maintained, repaired, and replaced in accordance with the following provisions:

(a) All construction, installation, maintenance, repair, and/or replacement of the Improvements shall be subject to any and all applicable federal, state and local environmental, land use, building, and other laws and regulations.

(b) All of the Improvements shall be contained within the areas or Compounds specified for them in this Deed; and shall be located so as to minimize adverse impacts on the Conservation Values.

(c) Plantings and gardens with non-native plantings shall be allowed only within the Compounds; provided, however, that: (i) those plants forbidden pursuant to this Deed shall not be allowed; and (ii) compatible drought-tolerant species shall be used wherever possible. Upon completion of the Improvements, any bare areas resulting from excavation or fill shall be revegetated as soon as possible to avoid erosion and visual impact.

(d) The building plans and specifications for each of the Improvements, including not only structures, but also the location and plans for any utilities, septic systems, driveways, landscaping, grading or other Improvements, shall be subject to review and prior written approval by Grantee, which approval shall not be delayed or withheld unreasonably and which shall be based exclusively on Grantee's reasonable determination as to whether the same comply

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in all material respects with the terms of this Easement, including the preservation, protection and maintenance of the Conservation Values of the Property.

(e) All utility structures and utility lines shall be included with the building plans and specifications submitted to, and shall be subject to review and prior written approval by, Grantee, which approval shall not be delayed or withheld unreasonably and shall be based exclusively on Grantee's determination as to whether the same comply with the terms of this Easement, including the preservation, protection and maintenance of the Conservation Values of the Property. All existing, functioning water wells on the Property may be maintained and used by Grantor. All new water wells shall be located in the Range Area, except that Grantor may construct not more than three new water wells (each, a "Regulated Well") in the Forest Area, subject to compliance by Grantor with all of the following terms and conditions: (i) each Regulated Well shall be located either (A) in that portion of Parcel 30 or 31 which is within the Forest Area and is either adjacent to an existing Connector Road or could be reached through the construction of a new Service Road not more than 100 meters in length or (B) in Parcel G adjacent to an existing Service Road, (ii) prior to any drilling for a Regulated Well, Grantor shall, at Grantor's expense, obtain written evaluations of the hydrological considerations and ecological impacts of the proposed drilling and extraction by a hydrologist and a biologist, each of whom shall be licensed and selected from a list of approved consultants which Grantee shall supply to Grantor upon request, without unreasonable delay (the "Reports"); (iii) the Reports shall contain recommendations as to any limitations on the depth of drilling, quantity and seasonal limitations regarding extraction and any other conditions and requirements recommended in order to assure the protection of the Conservation Values of the Easement, including, without limitation, if discernable, through monitoring or otherwise, preventing any material diminution or diversion of water which, but for the Regulated Well, would reach the Riparian Area and preventing any decline in the health of the Monterey pine or other flora or fauna in the Forest Area; and (iv) prior to any drilling for a Regulated Well, Grantee shall have reviewed and approved the Reports and Grantor shall have obtained the written consent of Grantee, which consent shall be at the sole discretion of Grantee and shall be subject to compliance by Grantor with such terms and conditions as Grantee may impose to assure that the Conservation Values of this Easement are not impaired.

(f) The location and construction of any new road and driveway in the Improvement Area shall be subject to the following requirements: (i) the roads and driveways shall be located to the extent possible so as to preserve all native trees and natural site features and to avoid entering root zones of existing oaks (which lie in the dripline of the tree canopy); (ii) the roads and driveways shall not follow any natural drainage swale, but shall follow existing grade whenever possible; (iii) only road and driveway materials which improve water infiltration shall be allowed, such as natural materials (such as decomposed granite in a natural color) or porous paving solutions (porous asphalt and/or modular pavement allowing for vegetation); and (4) the width of any road or driveway in the Improvement Area shall not exceed the minimum width required by the applicable governmental entity to obtain a building permit for the Improvements otherwise permitted herein.

(g) Any septic tank or other sewer system shall be set back at least 100 meters from the boundary of the Riparian Area and the portion of seasonal creek on the Property upstream from the Riparian Area and shall be installed in such a manner as to prevent contamination and

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degradation of the Riparian Area and such seasonal creek. Grantee shall be permitted to test the Improvement Area in the vicinity of any proposed development prior to consenting to the location of any leech field or septic system. To the extent that any of the requirements set forth above conflict with the requirements of the local governmental entity with jurisdiction over the site, the most stringent requirements shall apply.

(h) There shall be no outside lighting on the Property other than within the Compounds. Outside lighting in the Equestrian Facility Compound shall be limited to that reasonably needed to provide safety and security for the operation of the Equestrian Facility. Within the Equestrian Facility Compound, nighttime outdoor horse shows and other outdoor spectator events in open arenas and light stanchions in excess of 10 meters in height shall be prohibited; provided, however, that the training of horses at night and the showing of horses at night to potential buyers for whom a daytime appointment is inconvenient shall be permitted.

(i) The following design guidelines shall apply to all structures and development in the Improvement Area: (i) the Improvements shall be designed and constructed so that all native trees are preserved, (ii) the use of any roofing materials which are highly reflective, such as unpainted corrugated iron, unpainted aluminum, tiles with smooth, shiny finish, and other similar materials, is prohibited; and (iii) no structures shall use mirrored glass, reflective sun screens or other highly reflective materials for any exterior windows.

(j) Any Improvements which are damaged or destroyed shall, if the same are repaired or replaced, be repaired or replaced in a manner consistent with the protection of the Conservation Values of the Property, all subject to the terms and conditions of this Deed.

(k) Horses owned by Grantor or boarded at the Horse Ranch may be pastured and may graze only within the Range Area; and all horse riding by Grantor and Grantor's assigns shall be restricted to the Range Area, except for certain rights reserved to the owner of the Master Parcel, as provided in Paragraph 2 of this Exhibit D.

10. Use of Improvements. The New Residences and the Existing Residences shall be occupied and used only as single-family residential dwellings, and, except for the employee trailers in the Equestrian Facility Compound, no other Improvements shall be used for residential purposes to any extent. If the Horse Ranch and Equestrian facility are ever discontinued, all trailers formerly occupied by such employees shall be removed at Grantor's expense from the Improvement Area.

11. Hunting and Fishing. Non-commercial hunting, and trapping of wildlife by Grantor and/or Grantor's tenants, family, employees and guests shall be permitted on the Range Area, so long as it is in full compliance with all applicable laws and regulations, and is done in a manner that does not significantly deplete the wildlife resources, or damage the ecology of the Riparian Zone.

12. Grazing. The Range Area may be used for the grazing of cattle and horses; provided, however, that Grantor shall manage grazing in such a fashion that, within each fenced area, there shall remain in October of each year an average of at least one inch of stubble, except that the foregoing minimum stubble requirement shall not apply: (i) in the Compounds or (ii) in



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a land area of not to exceed seven percent of the total acreage in the Range Area outside of the Compounds where such area is reasonably and necessarily heavily impacted by horses in the ordinary course of Grantor's operation of the Equestrian Facility and Horse Ranch on the Range Area. The parties acknowledge that there are vernal pools in certain locations on the Range Area and, notwithstanding anything to the contrary herein, no vernal pools shall be destroyed incident to Grantor's activities hereunder and foregoing minimum stubble requirements shall apply with respect to all such vernal pools. In addition, there shall be no supplemental feeding, including hay and salt, within 100 feet of any vernal pool.

13 **Lot Line Adjustments.** Grantor may pursue lot line adjustments among existing legal parcels of the Property, and, to the extent expressly permitted below, with adjoining property owners (but such lot line adjustments shall not include any land division by subdivision, parcel map, subdivision map, or otherwise or transfer of development rights) as reasonably required in order to accomplish the following: (i) to establish the size and configuration of the parcels which will contain the Compounds, (ii) to adjust the boundaries of existing parcels of the Property so that the Forest Area is entirely within one or more separate legal parcels, and such parcels shall not contain any portion of the Range Area, (iii) to adjust the boundaries of the Property and that portion of Parcel G referred to herein as the Main Street Commercial Exception for the sole purpose of separating the Main Street Commercial Exception as a separate legal parcel which shall not contain any of the Forest Area, (iv) to adjust the common boundary of the Property and an adjacent cemetery property known as the Old Santa Rosa Cemetery to convey to the owner of said cemetery Excluded Land consisting of not more than one-half acre in Parcel G referred to herein as the Santa Rosa Cemetery Exception, (v) to adjust the boundary of Parcel G so that the Excluded Land referred to herein as the Bridge Street Commercial Exception shall become a separate parcel which shall not include any portion of the Forest Area, and (vi) to adjust the common boundary of that portion of Parcel E referred to herein as the Cambria Cemetery Exception to convey to the owner of the Cambria Cemetery the Cambria Cemetery Exception to be used solely for expansion of the Cambria Cemetery; provided, however, if such transfer is not completed within 36 months from the date hereof, the Cambria Cemetery Exception shall become subject to this Easement, shall be deemed to part of the Forest Area and shall not be transferred to the owner of the Cambria Cemetery. All such proposed lot line adjustments shall be subject to Grantee's prior review and written approval. All lot line adjustments shall be subject to Grantee's review of the proposed map of the lot line adjustment and its written determination that such adjustment conforms to the terms of this Paragraph 13 of **Exhibit D** and does not otherwise violate the terms and conditions of this Easement. Such written approval may be submitted by Grantor to regulatory authorities to evidence compliance of the lot line adjustment identified in said approval with the requirements of this Paragraph 13 and this Easement.

14. **Residual Rights.** Except as limited in this Deed, Grantor shall have the right to exercise and enjoy all rights as owner of the Property, including the right to use the Range Area for the Horse Ranch as set for above and to use the Property for any purpose not inconsistent with the Conservation Purposes of the Easement. If any question exists regarding whether a given practice or activity is permitted under this Deed or would have an adverse impact on any of the Conservation Values protected under this Deed, Grantor shall obtain the prior written approval of Grantee prior to engaging in such practice or activity, which approval shall, except as may otherwise be specifically provided herein, not be unreasonably withheld or delayed.

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Exhibit E

**Inconsistent Uses of the Property**

The following are set forth both to list specific prohibited activities, and to provide Grantor and Grantee with guidance in determining whether other activities are not consistent with the conservation purposes of the Easement:

1. **Inconsistent or Adverse Actions.** There shall be no change, disturbance, alteration or impairment of the Conservation Values of the Property, including (but not limited to) the significant habitat of wildlife and plants on the Property, except as may occur pursuant to (and then only to the extent permitted as a part of) the other activities which are explicitly permitted under this Deed.

2. **Improvements.** Except as explicitly permitted by the terms of this Deed, the exercise of any development rights associated with the Property is prohibited, including (but not limited to) the construction or placement of any structures or improvements on the Property, including (but not limited to) residential or other buildings, camping accommodations, boat ramps, bridges, mobile homes, house-trailers, permanent tent facilities, Quonset huts or similar structures, underground or aboveground tanks, billboards, signs, or other advertising facilities, street lights, utility structures or lines, and sewer systems or lines.

3. **No Use or Transfer of Development Rights.** Except as explicitly permitted by the terms of this Deed, all development rights that are now or hereafter allocated to, implied, reserved, or inherent in or to the Property are terminated and extinguished, and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described, or to any other property (whether adjacent or otherwise).

4. **No Subdivision.** Other than the lot line adjustments provided for in Exhibit D, Paragraph 13, there shall be no other lot line adjustments nor any legal or *de facto* division, subdivision, or partitioning of the Property, except that ownership of the legal parcels constituting the Property may be held in the form of undivided interests, provided, however, that (i) no owner of an undivided interest in the Property shall have the right of exclusive occupancy or exclusive use of any separate portion of the Property nor any right to have the Property partitioned in kind, whether pursuant to California Code of Civil Procedure Section 872.210 et seq., or otherwise, and (ii) undivided interests in the Forest Area shall be permitted only with respect to holders of undivided interests in the Master Parcel, hereinafter defined. Notwithstanding anything to the contrary herein, fee title to the Forest Area shall at all times be owned by the owner of one of the Compounds to be designated by Grantor in an instrument to be recorded not later than the issuance of a building permit for the first New Residence (the parcel of the Property which is to remain the owner in fee of the Forest Area is herein referred to as the "Master Parcel"), and if no such designation is made, then the Master Parcel shall be deemed to

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be the easternmost parcel in the Range Area. Grantor shall not partition, subdivide or transfer undivided interests or in the Forest Area; but said prohibition shall not preclude Grantor from carrying out the lot line adjustments pertaining to the Excluded Land as expressly provided in Exhibit D, paragraph 13.

5. **Vehicles.** There shall be no use of any motorized vehicles off of existing roadways in the Forest Area as shown on the Map. There shall be no use of any motorized vehicles in the Riparian Area, except to cross at the crossing sites referred to and subject to compliance with provisions set forth in Paragraph 8(d) of Exhibit D.

6. **Dumping and Salvage.** There shall be no dumping, storage, or other disposal of soil, trash, garbage (other than compostable refuse generated on the Property, and then only in areas agreed to by Grantee), ashes, waste, sludge, Hazardous Materials (as defined in this Deed), or other unsightly or dangerous materials, and there shall be no storage or disassembly of inoperable automobiles, trucks, or other vehicles or equipment for purposes of sale, or rental of space for that purpose;

7. **Vegetation.** There shall be no removal, cutting or destruction of native vegetation (unless harmful to horses or humans) or introduction of exotic plant or animal species which may in Grantee's determination threaten the Conservation Values of the Property. Grantor shall give Grantor a Proposed Activity Notice pursuant to paragraph 7 of this Easement prior to removing, cutting or destroying native vegetation deemed by Grantor to be harmful to horses or humans and prior to introducing any exotic or animal species. Without placing any limitation on the foregoing provisions, none of the plant species which are listed in Exhibit E-1 which is attached to this Deed shall be planted anywhere at the Property.

8. **Timber Harvesting and Firewood.** There shall be no taking or harvesting of timber, standing or downed, on the Property, except for: (i) disease or insect control or to prevent property damage or personal injury, after prior consultation with Grantee and with the approval of Grantee (which shall not be withheld unreasonably); (ii) collection of downed timber or branches as fencing or for firewood for personal (but not any commercial) use, or (iii) pursuant to the Forest Management Plan.

9. **Biocides.** There shall be no storage or use of fertilizers, pesticides, biocides, herbicides, or other agricultural chemicals, except as reasonably needed to be used in the Range Area in the operation of the Horse Ranch or the Equestrian Facility or as explicitly permitted under this Deed. All such chemicals shall be stored and used in compliance with all applicable laws, and no such chemicals shall be used by Grantor in such a fashion as to damage or degrade the Forest Area or the Riparian Area.

10. **Paths, Roads, Grading.** Except as permitted in the Improvement Area in accordance with Exhibit D hereto, there shall be no construction, reconstruction, or replacement

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of any paths or roadways, nor any other change in the general topography or grading of the Property, except with the prior written approval of Grantee, and no permitted roads or roadways shall interfere with movement, nesting, forage, etc. of wildlife at the site.

11. **Fences.** Except in a Compound and except as permitted under the terms of Exhibit D hereto, there shall be no fences or walls built, except with the prior written approval of Grantee, which approval shall not be unreasonably withheld, and any fence built with such approval shall meet the following criteria (in addition to any others set by Grantee in its approval): (1) the fence shall be built solely within two (2) feet of the Property boundary line or the nearest roadway edge; and (2) the fence shall not interfere with movement, nesting, or forage of wildlife at the site.

12. **Commercial Uses.** There shall be no commercial or industrial use of the Property, other than the grazing activities, Horse Ranch and Equestrian Facility which are explicitly permitted under this Deed. Permitted commercial activities of the Horse Ranch and Equestrian Facility shall be limited to (i) keeping, breeding, raising and selling horses in the Range Area; (ii) boarding of horses at the Equestrian Facility; horse and wagon riding in the Range Area; (iii) horse riding and wagon riding on existing roads in the Forest Area (to the extent permitted under Paragraph 2 of Exhibit D of this Easement); and (iv) "Horse Shows," as defined below, in the Equestrian Facility Compound at intervals of not to exceed four (4) per calendar year. For purposes of this Easement, a "Horse Show" is defined as a gathering of 40 or more people in the Equestrian Facility Compound at which horses or teams of horses are displayed. Grantor shall not permit any Horse Show outside of the Equestrian Facility Compound, and betting and horseracing at any Horse Show shall be prohibited. Examples of prohibited commercial or industrial uses include, but are not limited to: (a) commercial orchards or vineyards; (b) commercial campgrounds; (c) commercial picnic areas; (d) commercial feedlots, which are defined as any open or enclosed area, within which the land is not grazed or cropped at least annually, and where domestic livestock owned by other than Grantor are grouped together for intensive feeding purposes; (e) circuses, carnivals, rodeos, horse or dog racing; (f) snack shops, restaurants, hotels, convention centers, retreats, bed and breakfasts; (g) mechanized amusement rides, and (h) gift shops or other retail shops. Notwithstanding the foregoing, the owner of the Equestrian Facility Compound may permit temporary stalls for the sale of snacks and gifts to be set up and operated within the Equestrian Facility Compound during the Horse Shows otherwise permitted hereunder.

13. **Natural Resource Development.** Except as reasonably needed incident to the operation of the Horse Ranch and the limited permitted, construction activities referred to in Exhibit D hereto, there shall be no filling or excavating of the Property. Under no circumstances shall there be any mining, drilling (other than drilling for water in the Range Area and where otherwise specifically permitted herein), removing, or exploring for or extracting of minerals, oil, gas, coal, or other hydrocarbons, soils, sands, gravel, loam, rocks or any other material on or below the surface of the Property. Grantor shall obtain any required sand, gravel, loam or other

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material used in connection with the construction activities permitted under **Exhibit D** from sources other than the Property; provided, however that the owner of the Equestrian Facility may designate a site not to exceed one-half acre within the Equestrian Facility Compound as a site for the extraction of sand for use on the Property in connection with the operation by Grantor of the Equestrian Facility or the Horse Ranch. Grantor shall develop, maintain and, as needed, restore such sand extraction site according to a conservation plan prepared by Grantor and reviewed and approved by Grantee prior to the commencement of any sand extraction by Grantee.

14. **Recreational Facilities.** There shall be no recreational facilities (such as picnic tables, sports fields, etc.) erected or placed in the Forest Area. Any recreational facilities in the Range Area proposed by Grantor in connection with the Equestrian Facility or the Horse Ranch shall be consistent with the Conservation Values and must be approved in advance by Grantee.

15. **Agriculture and Grazing.** There shall be no: (a) agricultural activities or operations of any kind anywhere on the Property, including (but not limited to) row crops, forage, timber, orchards, vineyards, or any other activities that involve tillage of soil, removal of vegetation, planting of crops that would be harvested, or irrigation of such agricultural activities; or (b) except to the extent otherwise specifically permitted herein, grazing of livestock (whether for commercial purposes or otherwise), including (but not limited to) the breeding, raising, pasturing, and grazing of livestock of every kind, nature, and description.

16. **Hunting, Trapping, and Fishing.** Except to the extent explicitly permitted under this Deed (and then, only to the extent permitted), there shall be no use of the Property for any hunting, trapping, or fishing of any kind.

17. **Water Resources.** There shall be no development of any waters on the Property for hydroelectric power, fish farming, or any other commercial purpose. All presently existing water wells may continue to be used by Grantor; and, except as provided in Subparagraph 9(e) of **Exhibit D**, any new water wells shall be located in the Range Area. Grantor may construct water troughs and water delivery systems to bring water from such wells to supply water to horses and cattle in pastures in the Range Area. Water extraction and usage shall be as reasonably necessary for the personal use of Grantor and the grazing activities which are permitted under this Deed, but only provided that such use is kept to the minimum necessary to exercise such rights and does not endanger the Conservation Values of the Property. There shall be no activities, action, or uses detrimental to water conservation, erosion control, soil conservation, or fish and wildlife habitat preservation, and no irrigation, including irrigation of pastures, manipulation or alteration of natural water courses, wetland, stream bank, shorelines, or bodies of water, or activities or uses detrimental to water quality, including but not limited to:

- (a) degradation, pollution of any surface or subsurface waters, or rip-rapping;

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(b) bank protection or any other manipulation, diversion or other alteration of natural water courses, wetlands, or other bodies of water, except for natural stream bed remediation not involving the damming or impounding of water in the Riparian Area or in the upstream reaches thereof; natural stream bed remediation permitted hereunder may include planting native riparian vegetation and in-stream log structures and as may be required in connection with the restoration activities permitted pursuant to this Deed. Notwithstanding anything to the contrary above in this subparagraph (b), within the Improvement Area only, where natural stream bed remediation is insufficient to provide reasonable protection of Improvements, including roads, from damage from flooding or bank erosion, Grantor may, subject to the prior written consent of Grantee, which approval shall not be unreasonably withheld or delayed, reinforce existing stream banks with natural materials approved by the County of San Luis Obispo in a manner which does not impede the flow of waters to the Riparian Area; or

(c) any other activity which may destabilize the banks of any course or body of water; and any uses or activities which would pollute, degrade, or drain the surface or sub-surface waters.

There shall also be no severance, conveyance, impairment, or encumbrance of water or water rights appurtenant to the Property, separately from the underlying title to the Property, or other action which diminishes or extinguishes such water rights, including, without limitation, any export or conveyance of water from the Property for use on any other real property, whether or not such other real property may now or in the future be owned by Grantor or Grantor's successors in interest, and the Easement shall not sever or impair any riparian water or other water rights appurtenant to the Property or result in any loss or diminution of Grantor's water rights appurtenant to the Property except as the same may be affected as the result of compliance by Grantor with the terms of this Easement.

18. Pets. Unleashed pets, including (by way of example and not limitation) dogs shall not be allowed on the Property, outside of the Range Area; provided, however, that if Ralph Covell and Tracy Covell shall purchase the Property, they shall have the personal, nontransferable right, during their lifetimes, and provided that they continue to own the Forest Area, to have their dogs accompany them, unleashed, when they are in the Forest Area.

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Exhibit E-1

**Vegetation Restrictions**

None of the following plant, tree, or weed species shall be planted on the Property:

- African daisy
- Artichoke thistle
- Castor bean
- Eucalyptus
- Eurasian mustard
- Fountain grass
- Giant reed (Arundo)
- Italian - Mediterranean olive
- Milk thistle
- Pampas grass
- Russian olive
- Salt cedar (Tamarisk)
- Tree tobacco
- Yellow star thistle
- Vinca

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Exhibit F

Legal Description of Forest Area





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Order No. 600106

Parcel 6 continued

Thence Southerly along said Westerly line to the Southwesterly corner of the land described in said Deed;

Thence Easterly along the Southerly line of the land described in said deed to the Westerly line of the land described in the deed to Jeffrey Phelan, recorded June 19, 1868 in Book B, Page 301 of Deed;

Thence Northerly along the Westerly line of the land described in said deed to Phelan, to the North line of said Rancho Santa Rosa;  
Thence Westerly along said North line to the point of beginning.

EXCEPTING THEREFROM that portion of said land described in the Deed to the Cambria Public Cemetery District, recorded July 9, 1940 in Book 279, Page 226 of Official Records. The location of the Westerly boundary thereof was established and fixed by the Boundary Line Agreement recorded July 24, 1968 in Book 1484, Page 308 of Official Records.

EXCEPTING THEREFROM that portion of said land conveyed to Cambria Cemetery District by Deed recorded July 24, 1989 in Book 3356, Page 827 of Official Records.

EXCEPTING THEREFROM the Cambria Cemetery exception described as follows:  
Being a portion of Parcel 1 of PL 88-249, in the Unincorporated Territory of the County of San Luis Obispo, State of California, as shown on the Map filed in Book 61, Page 12 of Records of Surveys in the office of the County Recorder of said County, more particularly described as follows:

Beginning at the most Northerly Corner of Parcel 2 of said PL 88-249 said corner being the Northwesterly Terminus of that certain course described as "North 55°14'06" West, 598.95 feet" for a portion of the Westerly line of said Parcel 1;  
Thence North 34°45'54" East, 145.45 feet;  
Thence South 55°14'06" East, 598.95 feet;  
Thence South 34°45'54" West, 145.45 feet to the most Easterly corner of said Parcel 2;  
Thence North 55°14'06" West, 598.95 feet along the Easterly line of said Parcel 2 to the Point of Beginning.

Parcel 7:

That portion of the Rancho Santa Rosa, in the County of San Luis Obispo, State of California, according to map recorded in Book A, Page 42 of Patents, described as follows:

Beginning at the South Quarter corner of Section 15, Township 27, South Range 8 East, Mount Diablo Base and Meridian, on the North line of said Rancho Santa Rosa, as shown on map recorded in Book 15, Page 54 of Record of Surveys;  
Thence North 87°54'52" West, 212.14 feet;  
Thence South 41°21' West, 81.78 feet;  
Thence South 9°17'07" West, 746.54 feet;  
Thence South 18°25'33" East, 443.50 feet;  
Thence South 23°54'43" East, 469.26 feet;  
Thence South 55°00'05" East, 421.76 feet;  
Thence South 33°26'44" West, 231.16 feet;  
Thence South 33°25'18" West, 497.75 feet to the True Point of Beginning;  
Thence North 88°17'49" West, 1598.62 feet, more or less, to the Northeast corner of the land described in the deed to Coalinga-Huron Union Elementary School of Fresno County, California, recorded November 2, 1950 in Book 585, Page 11 of Official Records;

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Order No. 600105

Parcel 7 continued

Thence South 412.88 feet;  
Thence South 81°41' West, 243.92 feet to corner post PE No. 10;  
Thence South 11° East, 264.00 feet;  
Thence South 12° East, 495.00 feet;  
Thence South 16°30' East, 99.00 feet;  
Thence South 11°20' East, 198.00 feet;  
Thence South 13°30' East, 198.00 feet;  
Thence South 13° East, 152.46 feet;  
Thence East, 198.00 feet;  
Thence South 87° East, 264.00 feet;  
Thence South 87°20' East, 330.00 feet;  
Thence East, 264.00 feet;  
Thence North 85° East, 132.00 feet;  
Thence North 87°30' East, 198.00 feet;  
Thence South 88° East, 264.00 feet;  
Thence South 81° East, 99.00 East;  
Thence East, 165.00 feet;  
Thence South 89°30' East, 198.00 feet;  
Thence North 89°30' East, 607.86 feet to the corner post marked PE No. 12 on the Westerly line of the land described in the deed to Jeffrey Phelan, recorded February 7, 1870 in Book B, Page 761 of Deeds;  
Thence Southerly along said Westerly line to the Southwesterly corner of the land described in said last mentioned Deed;  
Thence Easterly along the Southerly line of the land described in said last mentioned deed to the Southeasterly corner thereof;  
Thence Northerly along the Easterly line of the land described in said last mentioned deed to the Southeasterly corner of the land described in the deed to William Leffingwell, Sr., recorded February 7, 1885 in Book T, Page 168 of Deeds;  
Thence Westerly along the Southerly line of the land described in said deed to Leffingwell, to the Southwesterly corner thereof;  
Thence Northerly along the Westerly line of the land described in said deed to Leffingwell to the Easterly prolongation of the course hereinbefore recited as "North 88°17'49" West, 1598.62 feet, more or less";  
Thence along said Easterly prolongation, North 88°17'49" West to the True Point of Beginning.

EXCEPTING THEREFROM any portion of said land described in the deed to the Cambria Public Cemetery District recorded July 9, 1940 in Book 279, Page 226 of Official Records. The location of the Westerly boundary thereof was established and fixed by Boundary Line Agreement recorded July 24, 1968 in Book 1484, Page 308 of Official Records.

Parcel 8:

That portion of the Rancho Santa Rosa, in the County of San Luis Obispo, State of California, according to map recorded in Book A, Page 42 of Patents, and that portion of Section 23, Township 27 South, Range 12 East, according to the official plat thereof returned to the office of the Surveyor General, described as follows:

Beginning at corner designated SR No. 8 on the Northerly boundary of Santa Rosa Rancho; Thence Westerly along said Northerly boundary 23 chains to the Northwesterly corner of the land described in the deed to Jeffrey Phelan, recorded June 19, 1868 in Book B, Page 301 of Deeds;

Thence Southerly along the Westerly line of said Deed and the Easterly line of the land described in the deed to Jeffrey Phelan recorded February 7, 1870 in Book B, Page 761 of Deeds, 65 chains to stake P-3;

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Order No. 600106

Parcel 8 continued

Thence South 56°00' East, 1108.80 feet;  
 Thence South 11°30' East, 198.00 feet;  
 Thence South 49°30' East, 153.12 feet;  
 Thence South 07°00' East, 197.34 feet;  
 Thence North 75°00' East, 128.04 feet;  
 Thence South 28°00' East, 16.17 feet to the Northwesterly corner of parcel of land conveyed to Paddeus Amat, Bishop of the Diocese of Los Angeles and Monterey, recorded in Book C, Page 161 of Deeds;  
 Thence along the Northerly and Easterly line of said deed North 80°15' East, 252.78 feet;  
 Thence South 00°30' West, 348.48 feet;  
 Thence South 78°10' West, 86.46 feet and South 08°15' East, 238.26 feet to the Northerly line of Main Street in the Town of Cambria;  
 Thence along said Northerly street line North 33°50' East, 180.84 feet;  
 Thence North 49°05' East, 215.82 feet to the South corner of Campbell's Lot;  
 Thence along the Westerly and Northerly lines of Campbell's Lot North 35°45' West, 63.36 feet;  
 North 18°30' West, 15.84 feet;  
 Thence North 34°00' West, 6864 feet to the West corner of Campbell's Lot;  
 Thence North 46°00' East, 53.46 feet;  
 Thence North 52°45' West, 140.58 feet;  
 Thence North 57°30' East, 108.90 feet to the Northeasterly corner of Campbell's Lot on the Easterly line of the Santa Rosa Rancho;  
 Thence along said Easterly Rancho line North 11°30' West to a point which bears South 11°30' East, 180 rods from SR No. 8 on the Northerly line of said Rancho;  
 Thence in a Northeasterly direction in a straight line to a point on the North line of Section 23 which bears East of SR No. 8 distant 80 rods;  
 Thence along the Northerly line of said Section 23 West, 80 rods to SR No. 8, the point of beginning.

EXCEPTING THEREFROM those portions described in Certificate of Compliance recorded December 8, 1997 as Instrument Nos. 1997-069288, 1997-069289 and 1997-069290 of Official Records.

EXCEPTING THEREFROM The Main Street Commercial Exception described as follows:

Being that portion of Santa Rosa Rancho in the Unincorporated Territory of the County of San Luis Obispo, State of California, more particularly described as follows:

Beginning at the Northeasterly corner of that certain Parcel of land granted in that particular deed recorded December 7, 1870 in Book C, Page 161 of deeds in the office of the County Recorder of said County, said Corner also being the Northeasterly Terminus of that certain course described as "North 82°02'00" East, 252.78 feet" for a portion of the Southerly line of the land shown as "Parcel 38 & 39" on the map filed in Book 59, Page 6 of Records of Surveys in the Office of the County Recorder of said County;  
 Thence North 82°02'00" East, 307.85 feet to a point on the Easterly line of said land described as Parcels 38 & 39;  
 Thence along the Easterly, Southerly and Westerly lines of said Parcels 38 & 39, the following courses:  
 South 09°17'22" East, 65.27 feet,  
 South 59°26'38" West, 115.37 feet;  
 South 54°41'38" West, 140.58 feet;  
 South 47°56'38" West, 53.46 feet;  
 South 32°03'22" East, 68.64 feet;  
 South 16°33'22" East, 15.84 feet;

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Order No. 600105

Parcel 8 continued

South 33°48'22" East, 63.36 feet;  
South 51°01'38" West, 216.25 feet;  
South 36°21'15" West, 152.80 feet;  
North 11°24'22" West, 219.60 feet;  
North 83°14'57" East, 92.57 feet;  
and North 02°17'00" East, 348.48 feet to the Point of Beginning.

EXCEPTING THEREFROM the Bridge Street Commercial Exception described as follows:

Being that portion of Santa Rosa Rancho in the Unincorporated Territory of the County of San Luis Obispo, State of California, more particularly described as follows:

Commencing at the Northwesterly corner of that certain Parcel of land granted in that particular deed recorded December 7, 1870 in Book C, Page 161 of Deeds in the Office of the County Recorder of said County, said corner also being the Southwesterly Terminus of that certain course described as "North 82°02'00" East, 252.78 feet" for a portion of the Southerly line of the land shown as "Parcels 38 & 39 on the map filed in Book 59, Page 6 of Records of Surveys in the Office of the County Recorder of said County;  
Thence North 16°13'00" West, 16.17 feet along the Easterly line of said Parcels 38 & 39 to the True Point of Beginning;  
Thence South 76°47'00" West, 128.04 feet along the Southerly line of said Parcels 38 & 39;  
Thence along the Easterly line of said Parcels 38 & 39 the following courses;  
North 05°13'00" West, 197.34 feet and North 47°43'00" West, 153.12 feet;  
Thence North 76°47'00" East, 192.05 feet;  
Thence South 12°22'14" East, 321.64 feet to the True Point of Beginning.

EXCEPTING THEREFROM the Santa Rosa Cemetery Exception described as follows:

Being that portion of Santa Rosa Rancho, in the Unincorporated Territory of the County of San Luis Obispo, State of California, more particularly described as follows:

Beginning at the Northwesterly corner of that certain Parcel of land granted in that particular deed recorded December 7, 1870 in Book C, Page 161 of deeds in the office of the County Recorder of said County, said corner also being the Southwesterly terminus of that certain course described as "North 82°02'00" East, 252.78 feet" for a portion of the Southerly line of the land shown as "Parcels 38 & 39" on the map filed in Book 59, Page 6 of Records of Surveys in the office of the County Recorder of said County;  
Thence North 82°02'00" East, 252.78 feet along the Northerly line of said deed to the Northeasterly corner of said deed Parcel;  
Thence continuing North 82°02'00" East, 59.03 feet;  
Thence North 11°03'22" East, 50.50 feet;  
Thence South 86°07'28" West, 335.74 feet;  
Thence South 12°22'14" East, 55.86 feet;  
Thence South 16°13'00" East, 16.17 feet to the Point of Beginning.

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Order No. 600105

Parcel 9:

That portion of the Rancho Santa Rosa, in the County of San Luis Obispo, State of California, according to map recorded in Book A, Page 42 of Patents, described as follows:

Beginning at corner designated SR No. 8 on the Northerly boundary of said Rancho Santa Rosa;

Thence Westerly along said Northerly boundary to the Northwestern corner of land described in the Deed to Jeffrey Phelan, recorded June 19, 1868 in Book B, Page 301 of Deeds;

Thence Southerly along the Westerly line of the land described in said deed to Jeffrey Phelan and Easterly line of the said land described in the deed to Jeffrey Phelan, recorded February 7, 1870 in Book B, Page 761 of said deeds, to the Southeasterly corner of the land described in said last mentioned Deed;

Thence Westerly along the Southerly line of the land described in said deed recorded in Book B, Page 761 of Deeds to the boundary of the Phelan Land and Cattle Company, recorded June 6, 1908 in Book 77, Page 295 of said Deeds;

Thence along the boundary of the land described in said deed to the Phelan Land and Cattle Company, as follows: South 11° East to corner Post marker PE No. 13, North 74° East, 575.52 feet to corner post PE No. 14, South 36°30' East, 421.74 feet to corner post PE No. 15, North 77°25' East, 99.66 feet to the corner post PE No. 16, South 8°05' East, 69.30 feet to corner post marked PE No. 17, North 82°45' East, 453.42 feet to corner post marked PE No. 18, North 78°30' East, 206.58 feet to corner post maker PE No. 19, North 63°40' East, 464.64 feet to corner post marked PE No. 20, North 63°40' East, 83.16 feet, North 79°45' East, 69.96 feet, North 1° West, 214.50 feet, North 10° West, 214.50 feet, North 10° West, 66.00 feet, North 24°45' West, 126.06 feet, North 35° West, 68.64 feet to live oak 14" in diameter marked PE No. 25, North 24°15' West, 85.80 feet to PE No. 26, North 52°45' East, 137.94 feet to stake PE No. 27 in the North line of road fence, South 49°30' East, 153.12 feet to stake PE No. 28, South 7° East, 197.34 feet, North 75° East, 128.04 feet, South 18° East, 16.17 feet to West corner of Catholic Church lot, North 80°15' East, 252.78 feet to the North corner of Catholic Church lot, South 0°30' West, 348.48 feet to corner of fence, South 78°10' West, 84.46 feet to corner of fence, South 8°15' East feet to corner of fence on North side of Main Street in the Town of Cambria, North 33°50' East, 180.84 feet, North 49°05' East, 215.82 feet to South corner of Campbell's Lot North 35°45' West, 63.36 feet, North 18°30' West, 15.84 feet, North 34° West, 68.64 feet to West corner of Campbell's Lot, North 46° East, 53.46 feet, North 52°45' East, 140.58 feet, North 57°30' East, 108.90 feet to the North corner of Campbell's Lot in Santa Rosa Rancho line, and North 11°30' West to the point of beginning.

EXCEPTING THEREFROM that portion of said land described in Certificate of Compliance, recorded April 8, 1982 in Book 2399, Page 533 of Official Records.

Parcel 10:

The Southeast Quarter of the Northwest Quarter of Section 15 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, County of San Luis Obispo, State of California, according to the Official Plat thereof

Parcel 11:

The Southwest Quarter of the Northwest Quarter of Section 15 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the Official Plat thereof.

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Order No. 600105

Parcel 12:

All that portion of Lot 1 and the Northwest Quarter of the Northwest Quarter of Section 23 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, lying within that certain parcel of land conveyed and particularly described in the certain deed dated October 8, 1869, executed by Phillip Kaetzel to Jeffrey Phelan and recorded in Book B, Page 706 of Deeds.

Parcel 13:

All that portion of Lots 2 and 3 of Section 23 of Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, lying within that certain parcel of land conveyed and particularly described in the certain deed dated October 8, 1869, executed by Phillip Kaetzel to Jeffrey Phelan and recorded in Book B, Page 706 of Deeds.

Parcel 14:

All that portion of land in the County of San Luis Obispo, State of California conveyed and described in that certain deed executed by Samuel A. Pollard to Jeffrey Phelan and recorded in Book B, Page 301 of Deeds, lying within that certain parcel of land conveyed and described in that certain deed executed by Alice Phelan, et al., to Phelan Land & Cattle Company and recorded in Book 77, Page 295 of Deeds.

Excepting from Parcels 1 through 14 that portion that lies Northerly of the following described line:

Being a portion of the East half of the Southeast Quarter of Section 15 and the Southwest Quarter of Section 14, all in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the Official Plat thereof, more particularly described as a line as follows:

Commencing at the Northwest corner of the Northeast Quarter of the Southeast Quarter of said Section 15 said corner also being a 1-1/2 inch iron pipe with brass tag stamped R.C.E. 29743 as shown on the map filed in Book 59, Page 6 of Records of Surveys in the office of the County Recorder of said County;

Thence along the Westerly line of said East half South 01°52'59" West, 1154.66 feet to the true point of beginning;

Thence South 57°43'13" East, 228.71 feet;

Thence South 73°09'56" East, 287.39 feet;

Thence South 87°35'40" East, 175.81 feet;

Thence South 77°01'14" East, 292.30 feet;

Thence South 55°02'50" East, 330.64 feet;

Thence North 64°44'19" East, 154.45 feet;

Thence South 61°47'15" East, 296.01 feet;

Thence South 74°17'44" East, 426.06 feet;

Thence South 63°34'51" East, 88.07 feet;

Thence North 79°47'33" East, 357.07 feet;

Thence South 65°55'37" East, 442.41 feet;

Thence South 73°12'12" East, 313.14 feet;

Thence South 87°30'01" East, 387.27 feet;

Thence South 76°37'44" East, 217.98 feet;

Thence North 75°21'53" East, 256.28 feet to a point on the Easterly line of said Southwest Quarter of Section 14.

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Exhibit G

Legal Description of Range Area



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Order No. 600105

EXHIBIT " G "

Parcel 1:

The North half of the Northwest Quarter of Section 15 and the East half of the Northeast Quarter of Section 16, all in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 2:

The West half of the Northeast Quarter of Section 15 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 3:

The Southwest Quarter of the Southeast Quarter of Section 15 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 4:

The East half of the Northeast Quarter, and the East half of the Southeast Quarter of Section 15, in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 5:

The Northwest Quarter, and the Southwest Quarter of Section 14, in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat thereof.

Parcel 6:

That portion of the Rancho Santa Rosa, in the County of San Luis Obispo, State of California, according to map recorded in Book A, Page 42 of patents, described as follows:

Beginning at the South Quarter corner of Section 15, in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, on the North line of said Rancho Santa Rosa, as shown on map filed in Book 15, Page 54 of Record of Surveys;

Thence North 87°54'52" West, 212.14 feet;

Thence South 41°31' West, 81.78 feet;

Thence South 9°17'07" West, 746.54 feet;

Thence South 18°25'33" East, 443.50 feet;

Thence South 23°54'43" East, 469.26 feet;

Thence South 55°00'05" East, 421.76 feet;

Thence South 33°26'44" West, 231.16 feet;

Thence South 33°25'18" East, 497.75 feet;

Thence South 88°17'49" East to the Westerly line of then land described in the deed to William Leffingwell, Sr., recorded February 7, 1885 in Book T, Page 168 of Deeds;



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074122

Order No. 600106

Parcel 7 continued

Thence South 81°41' West, 243.92 feet to corner post PE No. 10;  
 Thence South 11° East, 264.00 feet;  
 Thence South 12° East, 495.00 feet;  
 Thence South 16°30' East, 99.00 feet;  
 Thence South 11°20' East, 198.00 feet;  
 Thence South 13°30' East, 198.00 feet;  
 Thence South 13° East, 152.46 feet;  
 Thence East, 198.00 feet;  
 Thence South 87° East, 264.00 feet;  
 Thence South 87°20' East, 330.00 feet;  
 Thence East, 264.00 feet;  
 Thence North 85° East, 132.00 feet;  
 Thence North 87°30' East, 198.00 feet;  
 Thence South 88° East, 264.00 feet;  
 Thence South 81° East, 99.00 East;  
 Thence East, 165.00 feet;  
 Thence South 89°30' East, 198.00 feet;  
 Thence North 89°30' East, 607.86 feet to the corner post marked PE No. 12 on the  
 Westerly line of the land described in the deed to Jeffrey Phelan, recorded February 7,  
 1870 in Book B, Page 761 of Deeds;  
 Thence Southerly along said Westerly line to the Southwesterly corner of the land  
 described in said last mentioned Deed;  
 Thence Easterly along the Southerly line of the land described in said last mentioned deed  
 to the Southeasterly corner thereof;  
 Thence Northerly along the Easterly line of the land described in said last mentioned deed  
 to the Southeasterly corner of the land described in the deed to William Leffingwell, Sr.,  
 recorded February 7, 1885 in Book T, Page 168 of Deeds;  
 Thence Westerly along the Southerly line of the land described in said deed to Leffingwell,  
 to the Southwesterly corner thereof;  
 Thence Northerly along the Westerly line of the land described in said deed to Leffingwell  
 to the Easterly prolongation of the course hereinbefore recited as "North 88°17'49" West,  
 1598.62 feet, more or less";  
 Thence along said Easterly prolongation, North 88°17'49" West to the True Point of  
 Beginning.

EXCEPTING THEREFROM any portion of said land described in the deed to the Cambria  
 Public Cemetery District recorded July 9, 1940 in Book 279, Page 226 of Official Records.  
 The location of the Westerly boundary thereof was established and fixed by Boundary Line  
 Agreement recorded July 24, 1968 in Book 1484, Page 308 of Official Records.

Parcel 8:

That portion of the Rancho Santa Rosa, in the County of San Luis Obispo, State of  
 California, according to map recorded in Book A, Page 42 of Patents, and that portion of  
 Section 23, Township 27 South, Range 12 East, according to the official plat thereof  
 returned to the office of the Surveyor General, described as follows:

Beginning at corner designated SR No. 8 on the Northerly boundary of Santa Rosa Rancho;  
 Thence Westerly along said Northerly boundary 23 chains to the Northwesterly corner of  
 the land described in the deed to Jeffrey Phelan, recorded June 19, 1868 in Book B, Page  
 301 of Deeds;  
 Thence Southerly along the Westerly line of said Deed and the Easterly line of the land  
 described in the deed to Jeffrey Phelan recorded February 7, 1870 in Book B, Page 761 of  
 Deeds, 65 chains to stake P-3;

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Order No. 600105

Parcel 8 continued

Thence South 56°00' East, 1108.80 feet;  
 Thence South 11°30' East, 198.00 feet;  
 Thence South 49°30' East, 153.12 feet;  
 Thence South 07°00' East, 197.34 feet;  
 Thence North 75°00' East, 128.04 feet;  
 Thence South 28°00' East, 16.17 feet to the Northwesterly corner of parcel of land conveyed to Paddeus Amat, Bishop of the Diocese of Los Angeles and Monterey, recorded in Book C, Page 161 of Deeds;  
 Thence along the Northerly and Easterly line of said deed North 80°15' East, 252.78 feet;  
 Thence South 00°30' West, 348.48 feet;  
 Thence South 78°10' West, 86.46 feet and South 08°15' East, 238.26 feet to the Northerly line of Main Street in the Town of Cambria;  
 Thence along said Northerly street line North 33°50' East, 180.84 feet;  
 Thence North 49°05' East, 215.82 feet to the South corner of Campbell's Lot;  
 Thence along the Westerly and Northerly lines of Campbell's Lot North 35°45' West, 63.36 feet;  
 North 18°30' West, 15.84 feet;  
 Thence North 34°00' West, 6864 feet to the West corner of Campbell's Lot;  
 Thence North 46°00' East, 53.46 feet;  
 Thence North 52°45' West, 140.58 feet;  
 Thence North 57°30' East, 108.90 feet to the Northeasterly corner of Campbell's Lot on the Easterly line of the Santa Rosa Rancho;  
 Thence along said Easterly Rancho line North 11°30' West to a point which bears South 11°30' East, 180 rods from SR No. 8 on the Northerly line of said Rancho;  
 Thence in a Northeasterly direction in a straight line to a point on the North line of Section 23 which bears East of SR No. 8 distant 80 rods;  
 Thence along the Northerly line of said Section 23 West, 80 rods to SR No. 8, the point of beginning.

EXCEPTING THEREFROM those portions described in Certificate of Compliance recorded December 8, 1997 as Instrument Nos. 1997-069288, 1997-069289 and 1997-069290 of Official Records.

EXCEPTING THEREFROM The Main Street Commercial Exception described as follows:

Being that portion of Santa Rosa Rancho in the Unincorporated Territory of the County of San Luis Obispo, State of California, more particularly described as follows:

Beginning at the Northeasterly corner of that certain Parcel of land granted in that particular deed recorded December 7, 1870 in Book C, Page 161 of deeds in the office of the County Recorder of said County, said Corner also being the Northeasterly Terminus of that certain course described as "North 82°02'00" East, 252.78 feet" for a portion of the Southerly line of the land shown as "Parcel 38 & 39" on the map filed in Book 59, Page 6 of Records of Surveys in the Office of the County Recorder of said County;  
 Thence North 82°02'00" East, 307.85 feet to a point on the Easterly line of said land described as Parcels 38 & 39;  
 Thence along the Easterly, Southerly and Westerly lines of said Parcels 38 & 39, the following courses:  
 South 09°17'22" East, 65.27 feet,  
 South 59°26'38" West, 115.37 feet;  
 South 54°41'38" West, 140.58 feet;  
 South 47°56'38" West, 53.46 feet;  
 South 32°03'22" East, 68.64 feet;  
 South 16°33'22" East, 15.84 feet;

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Order No. 600105

Parcel 8 continued

South 33°48'22" East, 63.36 feet;  
South 51°01'38" West, 216.25 feet;  
South 36°21'15" West, 152.80 feet;  
North 11°24'22" West, 219.60 feet;  
North 83°14'57" East, 92.57 feet;  
and North 02°17'00" East, 348.48 feet to the Point of Beginning.

EXCEPTING THEREFROM the Bridge Street Commercial Exception described as follows:

Being that portion of Santa Rosa Rancho in the Unincorporated Territory of the County of San Luis Obispo, State of California, more particularly described as follows:

Commencing at the Northwestern corner of that certain Parcel of land granted in that particular deed recorded December 7, 1870 in Book C, Page 161 of Deeds in the Office of the County Recorder of said County, said corner also being the Southwesterly Terminus of that certain course described as "North 82°02'00" East, 252.78 feet" for a portion of the Southerly line of the land shown as "Parcels 38 & 39 on the map filed in Book 59, Page 6 of Records of Surveys in the Office of the County Recorder of said County;  
Thence North 16°13'00" West, 16.17 feet along the Easterly line of said Parcels 38 & 39 to the True Point of Beginning;  
Thence South 76°47'00" West, 128.04 feet along the Southerly line of said Parcels 38 & 39;  
Thence along the Easterly line of said Parcels 38 & 39 the following courses:  
North 05°13'00" West, 197.34 feet and North 47°43'00" West, 153.12 feet;  
Thence North 76°47'00" East, 192.05 feet;  
Thence South 12°22'14" East, 321.64 feet to the True Point of Beginning.

EXCEPTING THEREFROM the Santa Rosa Cemetery Exception described as follows:

Being that portion of Santa Rosa Rancho, in the Unincorporated Territory of the County of San Luis Obispo, State of California, more particularly described as follows:

Beginning at the Northwestern corner of that certain Parcel of land granted in that particular deed recorded December 7, 1870 in Book C, Page 161 of deeds in the office of the County Recorder of said County, said corner also being the Southwesterly terminus of that certain course described as "North 82°02'00" East, 252.78 feet" for a portion of the Southerly line of the land shown as "Parcels 38 & 39" on the map filed in Book 59, Page 6 of Records of Surveys in the office of the County Recorder of said County;  
Thence North 82°02'00" East, 252.78 feet along the Northerly line of said deed to the Northeasterly corner of said deed Parcel;  
Thence continuing North 82°02'00" East, 59.03 feet;  
Thence North 11°03'22" East, 50.50 feet;  
Thence South 86°07'28" West, 335.74 feet;  
Thence South 12°22'14" East, 55.86 feet;  
Thence South 16°13'00" East, 16.17 feet to the Point of Beginning.

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Order No. 600105

Parcel 9:

That portion of the Rancho Santa Rosa, in the County of San Luis Obispo, State of California, according to map recorded in Book A, Page 42 of Patents, described as follows:

Beginning at corner designated SR No. 8 on the Northerly boundary of said Rancho Santa Rosa;

Thence Westerly along said Northerly boundary to the Northwesterly corner of land described in the Deed to Jeffrey Phelan, recorded June 19, 1868 in Book B, Page 301 of Deeds;

Thence Southerly along the Westerly line of the land described in said deed to Jeffrey Phelan and Easterly line of the said land described in the deed to Jeffrey Phelan, recorded February 7, 1870 in Book B, Page 761 of said deeds, to the Southeasterly corner of the land described in said last mentioned Deed;

Thence Westerly along the Southerly line of the land described in said deed recorded in Book B, Page 761 of Deeds to the boundary of the Phelan Land and Cattle Company, recorded June 6, 1908 in Book 77, Page 295 of said Deeds;

Thence along the boundary of the land described in said deed to the Phelan Land and Cattle Company, as follows: South 11° East to corner Post marker PE No. 13, North 74° East, 575.52 feet to corner post PE No. 14, South 36°30' East, 421.74 feet to corner post PE No. 15, North 77°25' East, 99.66 feet to the corner post PE No. 16, South 8°05' East, 69.30 feet to corner post marked PE No. 17, North 82°45" East, 453.42 feet to corner post marked PE No. 18, North 78°30' East, 206.58 feet to corner post maker PE No. 19, North 63°40' East, 464.64 feet to corner post marked PE No. 20, North 63°40' East, 83.16 feet, North 79°45' East, 69.96 feet, North 1° West, 214.50 feet, North 10° West, 214.50 feet, North 10° West, 66.00 feet, North 24°45' West, 126.06 feet, North 35° West, 68.64 feet to live oak 14" in diameter marked PE No. 25, North 24°15' West, 85.80 feet to PE No. 26, North 52°45' East, 137.94 feet to stake PE No. 27 in the North line of road fence, South 49°30' East, 153.12 feet to stake PE No. 28, South 7° East, 197.34 feet, North 75° East, 128.04 feet, South 18° East, 16.17 feet to West corner of Catholic Church lot, North 80°15' East, 252.78 feet to the North corner of Catholic Church lot, South 0°30' West, 348.48 feet to corner of fence, South 78°10' West, 84.46 feet to corner of fence, South 8°15' East feet to corner of fence on North side of Main Street in the Town of Cambria, North 33°50' East, 180.84 feet, North 49°05' East, 215.82 feet to South corner of Campbell's Lot North 35°45' West, 63.36 feet, North 18°30' West, 15.84 feet, North 34° West, 68.64 feet to West corner of Campbell's Lot, North 46° East, 53.46 feet, North 52°45' East, 140.58 feet, North 57°30' East, 108.90 feet to the North corner of Campbell's Lot in Santa Rosa Rancho line, and North 11°30' West to the point of beginning.

EXCEPTING THEREFROM that portion of said land described in Certificate of Compliance, recorded April 8, 1982 in Book 2399, Page 533 of Official Records.

Parcel 10:

The Southeast Quarter of the Northwest Quarter of Section 15 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, County of San Luis Obispo, State of California, according to the Official Plat thereof.

Parcel 11:

The Southwest Quarter of the Northwest Quarter of Section 15 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the Official Plat thereof.

Order No. 600106

Parcel 12:

All that portion of Lot 1 and the Northwest Quarter of the Northwest Quarter of Section 23 in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, lying within that certain parcel of land conveyed and particularly described in the certain deed dated October 8, 1869, executed by Phillip Kaetzel to Jeffrey Phelan and recorded in Book B, Page 706 of Deeds.

Parcel 13:

All that portion of Lots 2 and 3 of Section 23 of Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, lying within that certain parcel of land conveyed and particularly described in the certain deed dated October 8, 1869, executed by Phillip Kaetzel to Jeffrey Phelan and recorded in Book B, Page 706 of Deeds.

Parcel 14:

All that portion of land in the County of San Luis Obispo, State of California conveyed and described in that certain deed executed by Samuel A. Pollard to Jeffrey Phelan and recorded in Book B, Page 301 of Deeds, lying within that certain parcel of land conveyed and described in that certain deed executed by Alica Phelan, et al., to Phelan Land & Cattle Company and recorded in Book 77, Page 295 of Deeds.

Excepting from Parcels 1 through 14 that portion that lies Southerly of the following described line:

Being a portion of the East half of the Southeast Quarter of Section 15 and the Southwest Quarter of Section 14, all in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the Official Plat thereof, more particularly described as a line as follows:

Commencing at the Northwest corner of the Northeast Quarter of the Southeast Quarter of said Section 15 said corner also being a 1-1/2 inch iron pipe with brass tag stamped R.C.E. 29743 as shown on the map filed in Book 59, Page 6 of Records of Surveys in the office of the County Recorder of said County;

Thence along the Westerly line of said East half South 01°52'59" West, 1154.66 feet to the true point of beginning;

Thence South 57°43'13" East, 228.71 feet;

Thence South 73°09'56" East, 287.39 feet;

Thence South 87°35'40" East, 175.81 feet;

Thence South 77°01'14" East, 292.30 feet;

Thence South 55°02'50" East, 330.64 feet;

Thence North 64°44'19" East, 154.45 feet;

Thence South 61°47'15" East, 296.01 feet;

Thence South 74°17'44" East, 426.06 feet;

Thence South 63°34'51" East, 88.07 feet;

Thence North 79°47'33" East, 357.07 feet;

Thence South 65°55'37" East, 442.41 feet;

Thence South 73°12'12" East, 313.14 feet;

Thence South 87°30'01" East, 387.27 feet;

Thence South 76°37'44" East, 217.98 feet;

Thence North 75°21'53" East, 256.28 feet to a point on the Easterly line of said Southwest Quarter of Section 14.

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Order No. 600105

Parcel 14 continued

Also excepting from Parcels 1 through 14 the Riparian Area described as follows;

Being a portion of the Northwest Quarter of Section 15 and the East half of the Northeast Quarter of Section 16, all in Township 27 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the Official Plat thereof, more particularly described as follows:

Commencing at the Northwest corner of the East half of the Northeast Quarter of said Section 16 said corner also being a 2 inch iron pipe with brass cap stamped L.S. 2685 as shown on the map filed in Book 59, page 6 of Records of Surveys in the office of the County Recorder of said County;

Thence along the Westerly line of said East half South 02°02'33" West, 1142.99 feet to the true point of beginning;

- Thence North 32°36'30" East, 156.64 feet;
- Thence North 69°17'44" East, 222.76 feet;
- Thence South 41°37'42" East, 199.91 feet;
- Thence South 51°49'22" East, 196.56 feet;
- Thence South 56°19'29" East, 433.77 feet;
- Thence South 69°15'26" East, 144.77 feet;
- Thence South 77°54'29" East, 186.38 feet;
- Thence North 87°32'45" East, 227.25 feet;
- Thence South 38°03'24" East, 266.14 feet;
- Thence South 60°30'23" East, 218.98 feet;
- Thence South 51°14'52" East, 311.11 feet;
- Thence North 63°21'53" East, 74.99 feet;
- Thence North 11°08'56" West, 119.38 feet;
- Thence North 44°12'55" East, 416.79 feet;
- Thence North 80°37'22" East, 227.88 feet;
- Thence South 45°40'34" East, 298.97 feet;
- Thence South 37°56'55" East, 297.42 feet;
- Thence South 40°16'34" East, 95.23 feet;
- Thence South 30°46'47" East, 201.79 feet;
- Thence South 33°36'35" East, 134.94 feet;
- Thence South 53°58'44" East, 267.41 feet;
- Thence South 85°17'03" East, 176.54 feet;
- Thence South 65°40'58" East, 77.90 feet;
- Thence North 86°27'39" East, 183.63 feet to a point on the East line of the Northwest Quarter of said Section 15;
- Thence South 02°03'36" West, 210.02 feet along said East line to the Southeast corner of the Northwest Quarter of said Section 15;
- Thence North 88°16'17" West, 404.32 feet along the Southerly line of said Northwest Quarter of Section 15;
- Thence North 51°47'58" West, 134.72 feet;
- Thence North 55°11'56" West, 185.23 feet;
- Thence North 60°27'38" West, 144.08 feet;
- Thence North 39°37'13" West, 227.04 feet;
- Thence North 21°18'54" West, 256.88 feet;
- Thence North 40°24'47" West, 327.04 feet;
- Thence North 66°09'47" West, 179.90 feet;
- Thence South 46°14'23" West, 241.87 feet;
- Thence South 32°01'06" East, 100.11 feet;
- Thence South 18°05'42" West, 158.77 feet;
- Thence South 65°25'19" West, 188.95 feet;

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Order No. 600105

Parcel 14 continued

Thence North 83°20'55" West, 223.03 feet;  
Thence North 68°12'30" West, 199.24 feet;  
Thence North 44°04'32" West, 336.27 feet;  
Thence North 62°38'09" West, 86.51 feet;  
Thence North 70°21'55" West, 280.36 feet;  
Thence South 89°12'04" West, 227.99 feet;  
Thence North 77°17'38" West, 147.72 feet;  
Thence North 47°20'56" West, 147.62 feet;  
Thence North 51°25'11" West, 140.71 feet;  
Thence North 70°15'23" West, 246.07 feet;  
Thence North 88°43'35" West, 118.22 feet;  
Thence South 55°31'55" West, 103.70 feet;  
Thence South 28°36'34" West, 179.81 feet;  
Thence South 32°46'09" West, 177.85 feet to a point on the Westerly line of said East  
half of the Northeast Quarter of Section 16;  
Thence North 02°02'33" East, 678.70 feet along said Westerly line to the True Point of  
Beginning.