OPTION AGREEMENT
FOR PURCHASE AND SALE OF REAL ESTATE
(FEE INTEREST)
(Mt. Hamilton • Nolan Ranch • Santa Clara County)

This Option Agreement ("Agreement") is entered into as of __Feb 2__, 2011 ("Agreement Date") by and between Owen Nolan, an unmarried man ("Seller"), and THE NATURE CONSERVANCY, a District of Columbia non-profit corporation ("Conservancy").

OPTION TO PURCHASE

1. Grant of Option. Seller grants to the Conservancy and its successors and assigns, the exclusive right and option ("Option") to purchase: (i) that certain approximately 1155 acres of real property located in Santa Clara County, California, as more particularly described in the attached Exhibit A, together with all appurtenant rights, privileges, tenements, estates, interests and easements (collectively, "Real Property"); and (ii) those items of personal property, set forth on Exhibit E (collectively, "Personal Property"). The Real Property and the Personal Property are sometimes collectively referred to as the "Property."

2. Option Term. The term of the Option will commence on the Agreement Date and will continue until 5:00 p.m. Pacific Time on the date that is one (1) year from the Agreement Date.

3. Option Consideration. Within five (5) business days after the Agreement Date, the Conservancy will deposit in escrow ("Escrow") with Old Republic title Company located at 17485 Monterrey Street, Suite 101, Morgan Hill, California ("Escrow Holder") the sum of five thousand dollars ($5,000.00) ("Option Consideration") as consideration for the Option. The Conservancy’s failure to deposit the Option Consideration as provided in the preceding sentence, shall be a material breach of the Agreement, and in such event, Seller may terminate this Agreement by providing written notice of such termination to the Conservancy and Escrow Holder. On the Closing Date (defined in Paragraph 6.1 below), the Option Consideration will be paid to Seller by Escrow Holder, and credited to the Purchase Price. Except as otherwise specifically set forth in this Agreement, in the event the Conservancy fails to exercise the Option, the Option Consideration will be delivered to the Conservancy by Escrow Holder, and neither party will have any further right or obligation hereunder with regard to the purchase and sale of the Property except those rights and obligations that expressly survive the termination of this Agreement or arise result from a party’s breach of this Agreement.

4. Exercise of Option. The Conservancy may exercise the Option by the delivery of written notice to Seller ("Option Notice") on or before the expiration of the option term set forth in Paragraph 2 in accordance with Paragraph 16. If the Conservancy so exercises the Option then on the exercise date ("Purchase Effective Date"), this
Agreement ripens into a binding sales contract between the parties for the sale and purchase of the Property on the terms and conditions herein set forth.

**PURCHASE AND SALE**

5. **Purchase Price.** If the Option is exercised, the total purchase price for the Property will be Two Million Six Hundred Thousand Dollars ($2,600,000.00) ("Purchase Price"). The entire amount of the Purchase Price, less the Option Consideration, will be paid in cash or immediately available funds at the Closing.

6. **Closing.**

   6.1. **Closing Date.** Closing of the Escrow for the Property ("Closing") will be held at the office of Escrow Holder on or before sixty (60) days after the Purchase Effective Date ("Closing Date").

   6.2. **Grant Deed.** At the Closing, Seller will execute and deliver a grant deed ("Grant Deed") in recordable form and substantially in the form attached to this Agreement as Exhibit B, conveying good, insurable and marketable title to the Real Property, together with insurable legal access to the Real Property, free and clear of all liens, encumbrances and exceptions, except those that are approved or waived by the Conservancy pursuant to Paragraph 7.

   6.3. **Bill of Sale.** At the Closing, Seller will execute and deliver a bill of sale ("Bill of Sale") for the Personal Property, if any, in substantially the form attached to this Agreement as Exhibit F, conveying good and marketable title to the Personal Property. At the Closing, Seller will deliver the Personal Property, if any, to the Conservancy free and clear of all liens, encumbrances and exceptions.

   6.4. **Water Rights.** All of the right, title and interest of Seller in any water rights, including without limitation, all riparian and appropriative rights, appurtenant to or otherwise used in connection with the Real Property, will be conveyed and assigned by Seller to the Conservancy at the Closing. Seller shall provide the Conservancy with copies of all water rights certificates, permits, licenses and filings made with respect to the Real Property, which are in Seller’s possession, and any other information which is in Seller’s possession that will assist in the transfer of water rights, within fifteen (15) days following the Agreement Date. As to appropriative water rights, Seller shall deliver to the Conservancy within fifteen (15) days following the Agreement Date, all information which is in Seller’s possession or of which Seller has actual knowledge regarding the quantity, rate of diversion, season of diversion, and whether there has been continuous reasonable and beneficial use of the appropriative water rights. Seller represents and warrants that Seller has not previously conveyed and is not retaining any water rights and shall execute such forms and other documents as may be reasonably necessary to effect the transfer of all of Seller’s water rights to the Conservancy.
7. Title Review.

7.1. Review of Title Documents. The Conservancy will request from Escrow Holder a preliminary title report ("Title Report") for the Real Property, legible copies of all documents referenced as exceptions in the Title Report and a color-coded map indicating the location of all easements referred to in the Title Report.

The Conservancy will have sixty (60) days following the Agreement Date to notify Seller in writing of any objections the Conservancy might have to any exceptions to title shown in the Title Report. The Conservancy's failure to object to any title exception shown in the Title Report in writing within the time stated above will be deemed an approval of the quality of title reflected in the Title Report.

Seller shall have the right, but not the obligation, within ten (10) days after receipt of the Conservancy's exception notice, to provide the Conservancy with written notice that Seller has agreed to remove or otherwise remedy some or all of the Conservancy's objections to title. If Seller provides the Conservancy with such written notice, Seller shall be obligated to remove or otherwise remedy such objections to title in a manner reasonably acceptable to the Conservancy on or before the Closing Date, and Seller's failure to so remove, remedy (or arrange for the Title Company to insure over in a manner acceptable to The Conservancy in its reasonable discretion) such objections to title on or before the Closing Date shall constitute a default by Seller hereunder. The failure of Seller to respond in writing within the time stated will be deemed Seller's election not to remove or remedy any such objection to title. If Seller does not notify the Conservancy that Seller intends to eliminate an exception to which the Conservancy has objected or fails to deliver any notice within ten (10) days of receipt of the Conservancy's objection notice, the Conservancy will then have the right, exercisable by providing written notice thereof to Seller within ten (10) days of its receipt of Seller's written notice to either: (i) terminate this Agreement by written notice to Seller and Escrow Holder, in which event the Option Consideration will be refunded to the Conservancy immediately by Escrow Holder and neither party will have any further right or obligation with regard to the purchase and sale of the Property hereunder except those rights and obligations that expressly survive the termination of this Agreement or arise from a party's breach of this Agreement; or (ii) waive, in writing, its objection to that exception and keep this Agreement in effect. The failure of the Conservancy to respond in writing within the time stated will be deemed a waiver pursuant to clause (ii) above, in which case this Agreement will remain in effect.

Notwithstanding the foregoing, Seller will, on or before the Closing Date, eliminate all monetary liens and exceptions that appear on or affect title to the Property (including, without limitation, mortgages, deeds of trust and financing statements), except for current assessments, bonds and taxes, which will be prorated to the Closing Date. All such monetary liens and exceptions must be eliminated regardless of whether the Conservancy has objected to them or not.

7.2. Title Policy. At the Closing, Seller will cause Escrow Holder to issue a standard CLTA owner's title policy for the Real Property ("Policy of Title Insurance"), in a form satisfactory to the Conservancy, in the amount of the Purchase Price,
containing only those exceptions to title that have been accepted by the Conservancy pursuant to this Agreement together with an endorsement to such policy specifically insuring that the Real Property has legal access to or abuts a public road and such other endorsements as are reasonably required by the Conservancy. Buyer may request, at Buyer's additional expense, an ALTA title policy.

8. **Representations, Warranties and Covenants of Seller.** Seller represents, warrants, and covenants to the Conservancy that the following are true as of the Agreement Date and will be true as of the Closing Date.

8.1. **Violations.** To Seller's best knowledge, Seller has not received written notice of any violation of any federal, state, county or other governmental or quasi-governmental statute, ordinance, regulation, law or administrative or judicial order with respect to the Property.

8.2. **Suits.** There is no action, suit or proceeding that is pending or, to Seller's best knowledge, without investigation or inquiry, threatened against the Property, in any court or before or by any federal, state, county or municipal department, commission, board, bureau, agency or other governmental instrumentality.

8.3. **Off-Title Issues.** Except for matters of record disclosed in the Title Report or in writing to the Conservancy prior to the expiration of the Option Period: (i) there are no leases, licenses, easements, or tenancies granted by Seller to any party, or, to Seller's best knowledge, without investigation or inquiry, parties in possession, rights of way, or other rights to use or occupy any portion of the Property whether of record, prescriptive or otherwise not of record, and to Seller's knowledge, without investigation or inquiry, there are no disputes, claims or actions involving the location of any fence or other monumentation of the Real Property's boundary nor any claims or actions involving the location of any fences or boundaries; (ii) there are no outstanding contracts made by Seller for any improvements to the Property that have not been fully paid for or will survive the Closing; (iii) there will be no actual or impending mechanics' or materialperson's liens arising from any labor or materials furnished to the Property and no unpaid bills or claims for labor or materials furnished to the Property; (iv) other than this Option, Seller has not granted any party any right to purchase or lease the Property; and (v) the Personal Property, if any, is free and clear of all liens, encumbrances and exceptions.

8.4. **Authority.** Seller is the sole owner of the Property, and all documents executed by Seller that are to be delivered to Escrow Holder are or at Closing: (i) will be duly authorized, executed and delivered by Seller, will be legal, valid, and binding obligations of Seller, and (ii) will be sufficient to convey title (if they purport to do so), and (iii) will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject.

8.5. **Foreign Person.** Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code and is a California resident or has a permanent place of business in California, as defined on the California Form 593-C.
8.6. **Hazardous Materials.** Except for matters of record disclosed in the Title Report or in writing to the Conservancy by Seller prior to the expiration of the Option Period, to the best of the Seller’s knowledge, without investigation or inquiry, there are not now nor have there been, any: (i) hazardous wastes, materials or substances (as they are defined in any applicable federal, state or county laws) (collectively, “Hazardous Materials”) located on or within any portion of the Property; (ii) enforcement, clean-up, removal or other governmental or regulatory actions instituted, contemplated or threatened pursuant to any applicable federal, state or local laws or ordinances relating to any Hazardous Materials and affecting the Property; (iii) claims made or threatened by any person or entity against Seller or the Property, relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; (iv) Hazardous Materials occurrence or condition on any real property adjoining or in the vicinity of the Real Property; or (v) underground storage tanks located on the Real Property and now or formerly used for the storage or containment of any Hazardous Materials, including any petroleum products or by-products.

8.7. **Other Environmental Conditions.** To the best of the Seller’s knowledge, without investigation or inquiry, the Property is free of any conditions that individually or in the aggregate: (i) pose a significant risk to human health or the environment; (ii) violate any Environmental Law (the term “Environmental Law” includes, without limitation, any federal, state, local or administrative agency statute, regulation, rule, ordinance, order or requirement relating to pollution, protection of human health, the environment or Hazardous Materials); or (iii) could reasonably be expected to cause any person to incur environmental investigation, removal, remediation or other cleanup costs.

8.8. Intentionally deleted.

8.9. **Condemnation.** There is presently no pending condemnation or, to the best of Seller’s knowledge, without investigation or inquiry, no contemplated condemnation of Property.

8.10. **Seller’s Information.** Seller will provide or has provided all of the Seller’s Information to the Conservancy, as described below.

8.11. **Agreements.** Seller has not entered into any construction, management, leasing, service, equipment, supply, maintenance or concession agreements with respect to the Property that have not been provided to the Conservancy as part of Seller’s Information.

8.12. **Government Farm Programs.** Seller has not enrolled, and to the best of Seller’s knowledge, without investigation or inquiry, the Real Property is not enrolled in the Agricultural Market Transition Act Program, the Conservation Reserve Program, the Wetland Reserve Program or any other program of the United States Department of Agriculture. To the best of Seller’s knowledge, the Property is not subject to any government cost-share contracts or other agreements that restrict either the use of the Property or the modification of any improvements on the Property.
8.13. **No Conflict of Interest.** The information provided on the Disclosure Form which was previously signed by Seller and submitted to the Conservancy, is true and correct to the best of Seller's knowledge.

8.14 **Broker's Commission.** Seller warrants and represents to the Conservancy, other than John Gormley ("Seller's Broker"), who has been retained by Seller, no person, firm or entity who or which has been retained by Seller is in a position to claim a real estate brokerage commission, due diligence fee or finder's fee against any party as a procuring cause of this transaction based upon contacts with such party or the Property. Seller shall indemnify, defend, protect and hold the Conservancy harmless from and against any and all claims, actions, causes of action, demands, liabilities, damages, costs and expenses (including attorneys' fees) arising as a result of a breach of the foregoing warranty and representation. As between the Conservancy and Seller, Seller shall be responsible for any real estate commissions payable to Seller's Broker.

The Conservancy represents and warrants that no brokerage commission, finder's fee or other compensation is or shall be due or payable by Seller by reason of the Conservancy's actions in the transaction contemplated hereby. The Conservancy shall indemnify, defend, protect and hold the Seller harmless from and against any and all claims, actions, causes of action, demands, liabilities, damages, costs and expenses (including attorneys' fees) arising as a result of a breach of the foregoing warranty and representation.

8.15 **As-Is Condition.** Except as may be set forth in this Agreement or otherwise disclosed by Seller prior to Closing, the Conservancy acknowledges and agrees that neither Seller nor any affiliate of Seller nor any agent or representative or purported agent or representative of any of the foregoing (all of the foregoing, collectively, "Seller Parties"), has made, and does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to (i) value; (ii) the income to be derived from the Property; (iii) the suitability of the Property for any and all activities and uses which the Conservancy may conduct thereon; (iv) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (v) the manner, quality, state of repair or lack of repair of the Property; (vi) the nature, quality or condition of the Property, including, without limitation, the water, soil and geology; (vii) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (viii) the manner or quality of the construction or materials, if any, incorporated into the Property; (ix) the content, completeness or accuracy of the Title Report (x) the conformity of the improvements to any plans or specifications for the Property; (xi) the conformity of the Property to past, current or future applicable zoning or building requirements; (xii) deficiency of any undershoring; (xiii) deficiency of any drainage; (xii) the fact that all or a portion of the Property may be located on or near an earthquake fault line; (xiii ) the existence of vested land use, zoning or building entitlements affecting the Property. The Conservancy further acknowledges and agrees that having
been given the opportunity to inspect the Property and review information and
documentation affecting the Property, except as may be expressly set forth herein, the
Conservancy is relying solely on its own investigation of the Property and review of such
information and documentation, and not on any information provided or to be provided
by Seller. The Conservancy further acknowledges and agrees that (A) any information
made available to the Conservancy or provided or to be provided by or on behalf of
Seller with respect to the Property was obtained from a variety of sources, and (B) Seller
has not made any independent investigation or verification of such information
and makes no representations or warranties as to the accuracy or completeness of
such information. THE CONSERVANCY FURTHER ACKNOWLEDGES AND AGREES
THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE
PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" "WHERE IS"
CONDITION AND BASIS WITH ALL FAULTS as described in this Paragraph 8.15, AND
THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR
IMPROVEMENTS. THE CONSERVANCY REPRESENTS, WARRANTS AND
COVENANTS TO SELLER THAT EXCEPT AS MAY BE EXPRESSLY SET FORTH
HEREIN, THE CONSERVANCY IS RELYING SOLELY UPON THE CONSERVANCY’S
OWN INVESTIGATION OF THE PROPERTY.

At the Closing, Seller will deliver to the Conservancy a certificate stating that each of the
representations, warranties and covenants made by Seller in this Agreement are true
and correct as of the Closing. Failure to deliver such certificate will be deemed a failure
of a condition precedent, permitting the Conservancy, at its option, to remedy such
failure as provided below.

Seller shall indemnify, defend (by counsel satisfactory to the Conservancy in the
Conservancy’s sole discretion) and hold harmless the Conservancy, its directors,
officers, employees, members and agents from and against any and all losses, claims,
damages, penalties, liabilities, demands, costs and expenses, including litigation costs
and attorneys’ fees, arising out of or connected with Seller’s breach of this Agreement
or the inaccuracy of any representation or warranty provided by Seller in, or otherwise
given in writing to the Conservancy pursuant to, this Agreement. The representations,
warranties, and indemnifications provided by Seller in, or otherwise given in writing to
the Conservancy pursuant to, this Agreement will survive the Closing or, if the purchase
and sale is not consummated, any expiration or termination of this Agreement for a
period of one (1) year.

9. Conditions Precedent. If the Conservancy exercises the Option, the following will
be conditions precedent to the Conservancy’s obligation to acquire the Property at the
Closing:

9.1. Title Policy. The issuance by Escrow Holder as of the Closing Date of the
Policy of Title Insurance showing title to the Real Property vested in the Conservancy,
subject only to those matters approved by the Conservancy in accordance with this
Agreement.

9.2. Seller’s Compliance. Seller’s material compliance with each of its
obligations, covenants and agreements in this Agreement, and the accuracy and
completeness in all material respects of each of Seller’s representations and warranties as of the Closing Date.

9.3. **Proceedings.** No administrative or judicial proceeding will have been commenced between the Purchase Effective Date and the Closing Date that seeks to prevent or restrain the consummation of the transaction contemplated by this Agreement or that would adversely affect the Property or its use.

9.4. **Physical and Environmental Condition.** Between the Purchase Effective Date and the Closing Date there will have been no material change in (i) the physical and environmental condition of the Property, including, without limitation, the legal and practical access to the Real Property from a public road, and (ii) notwithstanding any provision of this Agreement to the contrary, the condition of title to the Property (including, without limitation, the existence of any leases with respect to the Property).

9.5. **Intentionally deleted.**

9.6. **Intentionally deleted.**

9.7. **Personal Property.** Between the Purchase Effective Date and the Closing Date there will have been no material change in the condition of the Personal Property, if any, and the Personal Property, if any, will be free and clear of all liens, encumbrances and exceptions.

9.8. **Intentionally deleted.**

The foregoing conditions are solely for the benefit of the Conservancy, and the Conservancy may waive any of these conditions or the performance by Seller of any of Seller’s obligations; provided, however, that any such waiver must be in a writing signed by the Conservancy.

10. **Taxes.** All delinquent taxes and assessments and all trust deeds and similar monetary encumbrances that will be a lien against the Property at the Closing, including all supplemental and deferred taxes, whether or not a lien, will be satisfied of record by Seller at or before the Closing. Taxes, assessments and bonds payable during or attributable to the year in which the Closing occurs will be prorated as of the Closing. If there is an error in the proration of any taxes, assessments or bonds at the Closing or if a supplemental tax bill affecting the Property during Seller’s ownership of the Property is issued after the Closing, Seller will be obligated to pay any taxes, assessments and bonds due by Seller promptly upon presentation of a bill.

11. **Default; Remedies.**

11.1. **Default by Seller.** In the event of (i) a default by Seller under this Agreement, (ii) the failure of one or more of the conditions precedent set forth in Paragraph 9 and the condition cannot be satisfied at the Closing, or (iii) the failure of this transaction to close under any circumstances other than those that entitle Seller to
retain the Option Consideration as provided in Paragraph 11.2: (a) the Conservancy may terminate this Agreement, in which event the Option Consideration will be refunded to the Conservancy immediately by Escrow Holder, and Seller will pay any escrow cancellation fees due to Escrow Holder; or (b) the Conservancy may proceed to close the Escrow; and, in either case, the Conservancy will have all other rights and remedies available to the Conservancy at law or in equity, including, without limitation, the right to specifically enforce this Agreement.

11.2. Default by the Conservancy. In the event that (i) the Conservancy exercises its Option under this Agreement, (ii) the conditions precedent set forth in Paragraph 9 have been satisfied or waived in writing by the Conservancy, (iii) Seller will have performed all of Seller’s covenants and obligations under this Agreement and will not be in default under this Agreement, and (iv) the Conservancy will be unable to or fail to perform its obligations under this Agreement, then Seller will be entitled to retain the Option Consideration as liquidated damages, and the Conservancy will pay any escrow cancellation fees due to Escrow Holder. THE PARTIES HAVE AGREED THAT SELLER’S ACTUAL DAMAGES, IN THE EVENT OF A DEFAULT BY THE CONSERVANCY, WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE. THEREFORE, BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE OPTION CONSIDERATION HAS BEEN AGREED UPON, AFTER NEGOTIATION, AS THE PARTIES’ REASONABLE ESTIMATE OF SELLER’S DAMAGES AND AS SELLER’S EXCLUSIVE REMEDY AGAINST THE CONSERVANCY, AT LAW OR IN EQUITY, IN THE EVENT OF A DEFAULT UNDER THIS AGREEMENT SOLELY ON THE PART OF THE CONSERVANCY OR IF THE CONSERVANCY IS UNABLE OR FAILS TO PERFORM ITS OBLIGATIONS AND THE CONDITIONS TO THE CLOSING SPECIFIED IN THIS AGREEMENT HAVE BEEN SATISFIED AND SELLER HAS PERFORMED ALL OF SELLER’S COVENANTS AND OBLIGATIONS UNDER THIS AGREEMENT AND IS NOT IN DEFAULT.

AGREED:

THE CONSERVANCY: ____________________________

(Initials)

SELLER: ____________________________

(Initials)

12. Preservation of the Property. Seller acknowledges that the Conservancy intends to use the Real Property as a natural area or similar use. Seller shall maintain the Property and the natural resources on the Real Property in their condition as of the Agreement Date until and through the Closing Date and Seller will refrain from and will not actively permit any use of the Property or the natural resources on the Real Property for any purpose or in any manner that would adversely affect the Conservancy’s intended use of all or part of the Real Property as a natural area or similar use. On and after the Agreement Date and until and through the Closing Date, Seller shall not create any leases, licenses, easements, tenancies, possessions, rights of way, or other rights to use or occupy the Property, whether of record, prescriptive, or otherwise not of record that will survive the Closing or are not terminable on thirty (30) days or less notice without penalty. If (i) Seller will fail to maintain the Property and the natural resources
on the Real Property in the condition required by this Paragraph, (ii) Seller will fail to
refrain from or will actively permit use of the Property for any purpose or in any manner
that would adversely affect the Conservancy's intended use of the Property, or (iii) loss
or damage occurs to the Property at any time prior to the Closing: (a) the Conservancy
may, without liability, refuse to accept the conveyance of the Property, in which event
the Option Consideration will be refunded to the Conservancy immediately by Escrow
Holder, and Seller will pay any escrow cancellation fees due to Escrow Holder; or (b)
the Conservancy may elect to accept conveyance of the Property without a reduction in
the Purchase Price. Seller will deliver possession of the Property to the Conservancy at
the Closing.

13. Investigation of the Property and Delivery of the Seller's Information.

13.1. Investigation. During the term of this Agreement, the Conservancy,
through its employees, agents and consultants may enter upon the Real Property, at
reasonable times and upon reasonable advanced notice, to inspect and make such
tests (including soils tests), surveys, studies and other investigations of the physical or
environmental condition of the Property as the Conservancy deems appropriate. The
Conservancy will indemnify Seller and hold Seller harmless from any claim, cost, loss,
penalty, liability, demand, expense or damage, including, without limitation, reasonable
attorneys' fees, incurred by Seller due to physical damage to the Property or the
property of any third party or injury to any person resulting solely from the
Conservancy's inspections or tests and not attributable to Seller's negligence or
intentional act or omission. Notwithstanding the Conservancy's right to enter upon the
Real Property after the Purchase Effective Date, the Conservancy hereby
acknowledges and agrees that, prior to its exercise of the Option, the Conservancy has
had ample opportunity to, and has, reviewed the documents and materials described in
this Agreement, conducted such physical inspections, tests and studies of the Property
as the Conservancy has deemed appropriate or necessary, and that the Conservancy
has reviewed, examined, analyzed and approved all other information it deems relevant
to the physical condition, ownership, operation and management of the Property. In the
event the Conservancy or its successors or assigns discovers during its investigation of
the Property that there are Hazardous Materials present on the Property, Seller and the
Conservancy shall negotiate in good faith to determine whether Seller will reduce the
Purchase Price to mitigate the presence of such Hazardous Materials. Seller shall have
no obligation to reduce the Purchase Price and the Conservancy shall have no
obligation to exercise the Option.

The Conservancy acknowledges and agrees that upon its exercise of the Option,
all contingencies to the close of escrow shall be deemed to have been removed or
satisfied, and that the Conservancy shall have no right to terminate this Agreement and
fail to close the purchase of the Property except in the event of a Seller default or the
failure of a condition in its favor.

13.2. Seller's Information. Seller will deliver to the Conservancy within fifteen
(15) days following the Agreement Date the following, which are in Seller's possession
(collectively, "Seller's Information"): (i) copies of all soils and geotechnical reports,
maps, surveys, archaeological studies, reports relating to the presence or absence of
toxic or hazardous materials on the Real Property, or any other engineering reports, data or studies; and (ii) any information, documents, leases or studies relating to the development or operation or ownership of the Property, the status and nature of any assessment districts and the amount of any assessment liability, governmental permissions or entitlements, and the conformity of the Property with planning, zoning, subdivision and development statutes, ordinances, regulations and permits.

13.3 **Condition of the Property.** The Conservancy may, in its sole and absolute discretion, elect at any time prior to the Purchase Effective Date to terminate this Agreement by written notice to Seller and Escrow Holder if the condition of the Property is unacceptable to the Conservancy. In the event of such termination, the Option Consideration will be refunded to the Conservancy immediately by Escrow Holder and neither party will have any further right or obligation hereunder with regard to the purchase and sale of the Property except those rights and obligations that expressly survive the termination of this Agreement or arise result from a party’s breach of this Agreement.

14. **Costs and Fees.** Except as otherwise set forth in this Agreement, escrow fees will be paid one-half by Seller and one-half by the Conservancy. Documentary transfer taxes and the base premium for the standard portion of the Policy of Title Insurance will be paid by Seller. The Conservancy will pay the cost of recording the Grant Deed and the cost of any extended coverage and endorsements to the Policy of Title Insurance that the Conservancy elects to obtain. All other costs and expenses will be allocated in accordance with local custom in the county in which the Real Property is located.

15. **Affidavits.** Seller will furnish the Conservancy at or prior to the Closing with:

15.1 **Federal.** A duly executed nonforeign affidavit in the form attached to this Agreement as Exhibit C pursuant to Section 1445(b)(2) of the Internal Revenue Code, and on which the Conservancy is entitled to rely, that Seller is not a “foreign person” within the meaning of Section 1445(f)(3) of the Internal Revenue Code; and

15.2 **State.** A duly executed Form 593-C in the form attached to this Agreement as Exhibit D.

16. **Notices.** Any notice, demand, request, consent or approval that either party desires or is required to give to the other party under this Agreement will be in writing and will be sent to the following relevant address:
If to the Conservancy:

The Nature Conservancy
California Regional Office
201 Mission Street, 4th Floor
San Francisco, CA 94105
Attn: Legal Department
Fax: 415-777-0244
Telephone: 415-777-0487

with a copy to:

The Nature Conservancy
Mt. Hamilton Project
201 Mission Street, 4th Floor
San Francisco, CA 94105
Attn: Project Director
Fax: 415-777-0244
Telephone: 415-281-0422

If to Seller:

c/o The Wealth Collaborative
Jeffrey B. Wheeler
21550 Oxnard Street
Tower 2, Suite 990
Woodland Hills, CA 91367
Fax: (818) 444-7985

With a copy to:

Matthew S. Meza
Halling + Sokol LLP
23586 Calabasas Road
Suite 200
Calabasas, California 91302
Fax: (818) 222-4995

Notices may be sent by any of the following means: (i) by delivery in person, (ii) by certified U.S. mail, return receipt requested, postage prepaid, (iii) by Federal Express or other reputable "overnight" delivery service, provided that next-business-day delivery is requested by the sender; or (iv) by facsimile transmission. Notices delivered in person will be deemed effective immediately upon receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed given on the date deposited with the U.S. Postal Service. Notices sent by Federal Express or other reputable "overnight" delivery service will be deemed given on the date deposited with the delivery service. Notices sent by facsimile transmission will be effective on the date of successful transmission. Either party may, from time to time, by written notice to the other, designate a different address which will be substituted for the one above specified.

17. Successors and Assigns. The Conservancy may assign its rights under this Agreement to any local, state or federal government agency upon the following conditions: (i) the assignee assumes in writing all of the obligations of the Conservancy hereunder. The terms and conditions of this Agreement will bind and inure to the benefit of the heirs, executors, administrators, successors and assigns of Seller and the Conservancy.

18. Certification Regarding Material Support And Resources To Terrorists.

18.1. Seller certifies:

18.1.1. Seller will take all reasonable steps to ensure that Seller does not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in
terrorist acts.

18.1.2. Before providing any material support or resources to an individual or entity, Seller will consider all information about that individual or entity of which it is aware or that is available to the public.

18.1.3. Seller will implement reasonable monitoring and oversight procedures to safeguard against assistance being diverted to support terrorist activity.

18.2 For purposes of this Certification:

18.2.1. "Material support and resources" means currency or monetary instruments or financial securities, financial services, lodging, training, expert advice or assistance, safehouses, false documentation or identification, communications equipment, facilities, weapons, lethal substances, explosives, personnel, transportation, and other physical assets, except medicine or religious materials.

18.2.2. "Terrorist act" means:

18.2.2.1. an act prohibited pursuant to one of the 12 United Nations Conventions and Protocols related to terrorism (see UN terrorism conventions Internet site: http://untreaty.un.org/English/Terrorism.asp); or

18.2.2.2. an act of premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents; or

18.2.2.3. any other act intended to cause death or serious bodily injury to a civilian, or to any other person not taking an active part in hostilities in a situation of armed conflict, when the purpose of such act, by its nature or context, is to intimidate a population, or to compel a government or an international organization to do or to abstain from doing any act.

18.2.3. "Entity" means a partnership, association, corporation, or other organization, group or subgroup.

In the event that any material misrepresentation in this Certification is discovered during the term of this Agreement, the Conservancy may elect to declare this Agreement null and void and immediately terminate this Agreement and/or may elect to pursue the remedies provided in Paragraph 11.1. In the case of an intentional material misrepresentation, the Conservancy may, at its option, recover damages resulting from the termination.

19. Exhibits. The following exhibits are attached to this Agreement and incorporated into this Agreement by this reference:

   Exhibit A:   Legal Description of the Real Property;
20. **Miscellaneous.** This Agreement may be executed in several counterparts and all counterparts so executed will constitute one agreement which will be binding on all of the parties. Time is of the essence in this Agreement. If any provision of this Agreement is held invalid, the other provisions will not be affected by such invalidity. This Agreement represents the entire agreement of the parties and may not be amended except by a writing signed by each party. Each party warrants to the other that, if it is a business entity, it is duly organized, validly existing and, if a business entity, qualified to do business in the State of California, and that it and the respective signatories have full right and authority to enter into and consummate this Agreement and all related documents. The obligations, covenants, indemnifications, representations, warranties and remedies set forth in this Agreement will not merge with the transfer of title but will remain in effect. Each party acknowledges that it and its counsel have reviewed and revised this Agreement and that no rule of construction that ambiguities are to be resolved against the drafting party will be employed in the interpretation of this Agreement. Each party will execute and deliver or cause to be executed and delivered all instruments reasonably required to convey the Property to the Conservancy in the condition required under this Agreement and to vest in each party all rights, interests and benefits intended to be conferred by this Agreement. This Agreement will be governed by the laws of the State of California. Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement, including, without limitation, the exercise of the Option by the Conservancy. If any date under this Agreement is not a business day, then such date shall be deemed to be the next succeeding business day. If the due date for performing any action or obligation or for providing any notice under this Agreement falls on a Saturday, Sunday or federal or California legal holiday, the due date will be deemed to be the immediately following date that is not a Saturday, Sunday or federal or California legal holiday.

21. **Section 1031 Exchange by Seller.** Seller may consummate the exchange of all or any portion of the Real Property as part of a like-kind exchange pursuant to Section 1031 of the Internal Revenue Code on the conditions set forth below and provided that the exchange is accomplished through a “qualified intermediary,” as such term is defined by the regulations promulgated by the Internal Revenue Service pertaining to such like-kind exchanges. If Seller requests, the Conservancy will cooperate with Seller and the qualified intermediary by executing such additional documents as are reasonably required to consummate the exchange. The exchange may occur simultaneously with conveyance of the Property, or Seller may request the Conservancy’s cooperation for a “delayed exchange.” The Conservancy’s obligations under this Paragraph 21 are conditioned on the following:
21.1. **No Delay.** There will be no delay in closing the Escrow pursuant to this Agreement;

21.2. **Failure of Exchange.** If the exchange fails for any reason, Seller will remain obligated to transfer the Property to the Conservancy pursuant to the terms and conditions set forth in this Agreement;

21.3. **Fees and Costs.** Seller will reimburse the Conservancy for any and all additional attorneys’ fees and costs incurred by the Conservancy, if any, as a result of the exchange or any attempted exchange;

21.4. **No Additional Obligations.** The Conservancy will not assume any additional costs, liabilities or obligations as a result of the exchange or attempted exchange;

21.5. **No Release.** Seller will not be released from liability for any of Seller’s obligations under this Agreement;

21.6. **No Interest in Other Property.** The Conservancy will at no time acquire fee title interest to any real property other than the Real Property;

21.7. **No Representations or Warranties.** The Conservancy makes no representations or warranties with respect to the exchange;

21.8. **Indemnification.** Seller will indemnify, defend with counsel of the Conservancy’s choice, and hold the Conservancy harmless from all claim, cost, loss, penalty, liability, demand, expense or damage, including, without limitation, the Conservancy’s attorneys’ fees, arising from the exchange or any attempted exchange; and

21.9. **Qualified Intermediary.** Seller’s selection of a qualified intermediary will be subject to the Conservancy’s approval, which approval will not be unreasonably withheld or delayed.

22. **No Tax Deduction Claim by Seller.** The Conservancy has inquired of Seller whether Seller plans to claim any income tax deduction based on an assertion that the value of the Property is higher than the Purchase Price (sometimes known as a "bargain sale") or for any other reason. The Conservancy informs Seller that the Conservancy has certain procedures that the Conservancy is required to follow in all cases in which a seller intends to claim such a bargain-sale deduction. Those procedures include, without limitation, the Conservancy’s delivering to Seller, before entering into this Agreement, information (collectively, "Bargain Sale Information") that Seller would need to have before the Closing in order for the Conservancy to be able to subsequently execute any IRS Form 8283 or similar documentation at the federal, state, or local level concerning Seller’s claim of a right to such a deduction. The information that the Conservancy provides to sellers in such cases includes, without limitation, specific requirements for the appraisal that Seller must obtain for the IRS in order to evidence the claimed donation and for the sharing of that appraisal with the...
Conservancy. Seller represents, warrants, and covenants to the Conservancy that Seller has no intention of taking any tax deduction with respect to any bargain sale that might be involved in the transaction contemplated by this Agreement, and Seller informs the Conservancy that the Conservancy need not deliver to Seller the Bargain Sale Information. Seller acknowledges that neither the Conservancy nor any of its employees or agents has made any representation or warranty concerning the tax consequences of the transaction contemplated by this Agreement. Seller represents and warrants that Seller has not relied on any representation or warranty concerning the tax consequences of this specific transaction and that Seller has been advised by the Conservancy to seek Seller’s own professional advice regarding such tax consequences and that Seller is relying on Seller’s own tax and financial advisors for such tax advice and that Seller will hold the Conservancy harmless in the event of any future assessment of tax liability by any taxing authority with respect to the transaction.

23. Memorandum of Option. Seller will duly execute and deliver to the Conservancy simultaneously with Seller’s execution of this Agreement, for recording in the Official Records of Santa Clara County, a memorandum of this Agreement and of the Option granted by this Agreement ("Memorandum of Option"), which Memorandum of Option will be in the form attached hereto as Exhibit G. At the request of Seller, at any time after the expiration of the Option, the Conservancy shall promptly execute, acknowledge and deliver to Seller, a quitclaim deed with respect to the Real Property, in recordable form, and/or such other documents reasonably requested by Seller evidencing such expiration.

24. Confidentiality. The Conservancy and Seller agree that all information provided to the other in connection with the transaction contemplated herein and the fact that such a transaction is contemplated will be held in confidence by it, its agents and employees; provided however the parties recognize and agree that in the event this Agreement is assigned by the Conservancy to a local, state or federal government agency, such agency will be subject to public records laws of the governing jurisdiction. Either party may share information on a need-to-know basis with its consultants, accountants, attorneys, and potential equity and financing sources, or other capital funding sources including governmental agencies, so long as such information is delivered to such parties on the condition that the confidential status is disclosed to the parties. This paragraph shall survive the execution and delivery of the option and definitive purchase and sale agreement and/or the expiration of this letter of intent.

25. Intentionally Deleted.

26. Termination of Option. If the Conservancy fails to exercise the Option by the end of the Option term or delivers notice of its intent not to exercise the Option, this Agreement shall automatically terminate, the Conservancy shall deliver to Seller, at no cost to Seller, all of the due diligence materials related to the Property obtained by the Conservancy, whether or not obtained from Seller or its agents or representatives, the Option Consideration will be delivered to the Conservancy by Escrow Holder, and neither party will have any further right or obligation hereunder with regard to the purchase and sale of the Property except those rights and obligations that expressly
survive the termination of this Agreement or arise result from a party's breach of this Agreement.

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the Agreement Date.

SELLER: 

OWEN NOLAN, an unmarried man 

Date: Feb 02/2011 

THE CONSERVANCY: 

THE NATURE CONSERVANCY, a District of Columbia non-profit corporation 

By: 

Name: George W. Vandell III 

Title: Director of Real Estate 

Date: February 15, 2011
EXHIBIT A TO OPTION AGREEMENT

LEGAL DESCRIPTION OF THE REAL PROPERTY

(Mt. Hamilton • Nolan Ranch • Santa Clara County)

Real property in the unincorporated area of the County of SANTA CLARA, State of CALIFORNIA, described as follows:

PARCEL ONE:

BEGINNING AT POST MARKED L. H. NO. 1 AND C. P. NO. 6 AT THE SOUTHEAST CORNER OF RANCHO CANADA DE PALA; RUNNING THENCE NORTHWESTERLY ALONG THE DIVIDING LINE BETWEEN SAID RANCHO AND FRACTIONAL SECTION 16, IN TOWNSHIP 7 SOUTH, RANGE 3 EAST, M.D.B. & M., TO THE WEST LINE OF SAID SECTION 16; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF THE SOUTH ½ OF SAID SECTION 16; THENCE EAST ALONG SAID NORTH LINE TO THE CENTER LINE OF SULPHUR CREEK; THENCE NORTHEASTERLY ALONG SAID CENTER LINE TO THE EAST LINE OF SAID SECTION 16; THENCE EASTERLY AND NORTHEASTERLY, FOLLOWING THE CENTER LINE OF SULPHUR CREEK, TO THE NORTH LINE OF SECTION 15 IN SAID TOWNSHIP, THENCE NORTHEASTERLY AND CONTINUING ALONG THE CENTER LINE OF SULPHUR CREEK TO THE WEST LINE OF SECTION 11 IN SAID TOWNSHIP; THENCE SOUTH ALONG SAID WEST LINE AND ALONG THE WEST LINE OF FRACTIONAL SECTION 14 IN SAID TOWNSHIP, THE NORTHWESTERLY LINE OF THE RANCHO LOS HUECOS; THENCE SOUTHWESTERLY AND ALONG THE SAID NORTHWESTERLY LINE OF THE RANCHO LOS HUECOS 9,679.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM, THE FOLLOWING DESCRIBED TRACT OF LAND:

BEGINNING AT THE MOST EASTERLY CORNER OF THE RANCHO CANADA DE PALA DESIGNATED AS CP NO. 6 AND RUNNING THENCE ALONG THE NORTHEASTERLY LINE OF THE SAID RANCH NORTH 29° WEST 3060.08 FEET TO AN IRON PIPE; THENCE LEAVING SAID RANCHO LINE, SOUTH 56° 14' EAST 375.33 FEET TO A 2" X 3" STAKE, (CROSS SULPHUR CREEK ON THIS COURSE); SOUTH 14° 55' EAST 199.78 FEET TO A 2" X 3" STAKE ON THE EASTERLY BANK OF SMITH CREEK; THENCE CONTINUING ALONG THE NORTHEASTERLY BANK OF SMITH CREEK ALL STATIONS BEING MARKED WITH 2" X 3" STAKES, SOUTH 24° 55' EAST 371.21 FEET, SOUTH 80° 06' EAST 296.59 FEET, SOUTH 43° 50' EAST 266.28 FEET, SOUTH 88° 47' EAST 364.56 FEET, SOUTH 63° 18' EAST 320.06 FEET, SOUTH 30° 55' EAST 210.72 FEET, SOUTH 35° 07' EAST 411.78 FEET, SOUTH 54° 58' EAST 291.95 FEET, SOUTH 13° 15' EAST 122.47 FEET, SOUTH 25° 52' EAST 228.63 FEET AND SOUTH 59° 24' EAST 148.82 FEET TO A 4" X 4" POST ON THE EASTERLY BANK OF SMITH CREEK AND IN THE NORTHWESTERLY LINE OF THE RANCHO LOS HUECOS; THENCE ALONG THE NORTHWESTERLY LINE OF THE LOS HUECOS RANCHO SOUTH 65° 20' WEST 1104.33 FEET TO THE POINT OF BEGINNING.

PARCEL TWO:

BEGINNING AT A 2" X 3" STAKE SET ON THE NORTHEASTERLY LINE OF RANCHO CANADA DE PALA, DISTANT THEREON NORTH 29° 00' WEST 3189.38 FEET FROM A ¾ INCH IRON PIPE SET AT THE EASTERN MOST CORNER OF SAID RANCHO CANADA DE PALA ON THE NORTHWESTERLY LINE OF THE RANCHO LOS HUECOS AND FROM WHICH POINT OF BEGINNING AN IRON STANDING IN THE FORK OF SULPHUR AND SMITH CREEKS BEARS SOUTH 29° 00' WEST 355.86 FEET AND A 48 INCH WHITE OAK TREE STANDING IN THE SAID NORTHEASTERLY LINE OF THE RANCHO CANADA DE PALA BEARS SOUTH 29° 00' WEST 350.05 FEET; THENCE FROM SAID POINT OF BEGINNING SOUTH 80° 12' WEST 172.08 FEET TO A 2" X 3" STAKE, SOUTH 69° 03' WEST 159.22 FEET TO A 2" X 3" STAKE, SOUTH 74° 33' WEST 256.63 FEET TO A 2" X 3" STAKE SET ON THE NORTHERLY BANK OF SMITH CREEK; THENCE ALONG

First American Title Insurance Company

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THE NORTHERLY BANK OF SMITH CREEK AS FENCED, SOUTH 85° 35' WEST 86.06 FEET TO A 2" X 3" STAKE, SOUTH 77° 46' 30" WEST 475.50 FEET TO A 2" X 3" STAKE, NORTH 78° 01' 30" WEST 155.41 FEET TO A 2" X 3" STAKE, NORTH 69° 59' 30" WEST 383.29 FEET TO A 2" X 3" STAKE, NORTH 71° 18' 30" WEST 514.78 FEET TO A 2" X 3" STAKE, NORTH 81° 24' WEST 208.93 FEET TO A 2" X 3" STAKE; THENCE LEAVING THE NORTHERLY BANK OF SMITH CREEK AND RUNNING ALONG SAID FENCE LINE, NORTH 41° 13' 30" WEST 365.76 FEET TO A 2" X 3" STAKE, NORTH 50° 37' WEST 356.57 FEET TO A 2" X 3" STAKE, NORTH 58° 21' 30" WEST 142.12 FEET TO A 2" X 3" STAKE, NORTH 56° 49' WEST 260.66 FEET TO A 2" X 3" STAKE AND NORTH 36° 07' WEST 259.72 FEET TO A ½ INCH IRON PIPE IN FENCE CORNER; THENCE LEAVING SAID FENCE LINE, SOUTH 44° 16' WEST 63.25 FEET TO A 2" X 2" STAKE SET FLUSH AT AN ANGLE POINT IN THE CENTER LINE OF MT. HAMILTON ROAD, AS PAVED AND TRAVELED; THENCE ALONG SAID CENTER LINE OF MT. HAMILTON ROAD FOR THE FOLLOWING COURSES AND DISTANCES WITH ALL ANGLE POINTS BEING MARKED WITH RAILROAD SPIKES OR IRON PIPES SET FLUSH IN THE PAVEMENT: NORTH 28° 49' WEST 452.27 FEET, NORTH 27° 50' WEST 356.46 FEET, NORTH 35° 42' WEST 614.18 FEET, NORTH 21° 48' EAST 77.92 FEET, NORTH 79° 35' EAST 96.84 FEET, SOUTH 56° 30' 30" EAST 165.13 FEET, SOUTH 67° 38' 30" EAST 175.10 FEET, SOUTH 38° 21' 30" EAST 207.76 FEET, SOUTH 17° 03' 30" EAST 207.75 FEET, SOUTH 85° 32' 30" EAST 347.52 FEET, NORTH 1° 27' 30" WEST 339.92 FEET, NORTH 57° 55' EAST 153.96 FEET, SOUTH 80° 47' WEST 262.73 FEET, NORTH 46° 04' EAST 117.86 FEET, NORTH 83° 18' 30" EAST 100.80 FEET, NORTH 6° 04' WEST 332.39 FEET, NORTH 56° 12' WEST 149.66 FEET, NORTH 36° 58' 30" EAST 131.86 FEET, NORTH 87° 12' 30" EAST 150.12 FEET, NORTH 54° 52' 30" EAST 158.34 FEET, NORTH 81° 20' EAST 114.52 FEET, NORTH 14° 29' EAST 78.23 FEET, NORTH 42° 12' WEST 178.45 FEET, NORTH 3° 56' EAST 130.63 FEET, NORTH 31° 15' WEST 128.63 FEET, NORTH 8° 27' WEST 169.46 FEET, SOUTH 83° 02' WEST 82.31 FEET, SOUTH 39° 33' WEST 187.74 FEET, SOUTH 73° 08' WEST 82.20 FEET, NORTH 71° 40' WEST 93.00 FEET, NORTH 27° 44' WEST 218.42 FEET, NORTH 7° 10' EAST 438.04 FEET, NORTH 34° 17' EAST 129.43 FEET, NORTH 25° 39' WEST 129.12 FEET, SOUTH 51° 18' WEST 130.64 FEET, SOUTH 88° 31' WEST 86.80 FEET, NORTH 50° 50' WEST 184.76 FEET, NORTH 6° 18' WEST 85.27 FEET, NORTH 44° 48' WEST 184.61 FEET, NORTH 18° 01' EAST 261.54 FEET, NORTH 8° 32' EAST 132.20 FEET, NORTH 29° 05' EAST 117.68 FEET; THENCE CONTINUING ALONG SAID CENTER LINE OF MT. HAMILTON ROAD AND ITS NORTHEASTERLY PROLONGATION, NORTH 39° 36' EAST 184.43 FEET TO A 1 INCH IRON PIPE SET AT THE POINT OF INTERSECTION OF SAID PROLONGATION WITH THE SAID NORTHEASTERLY LINE OF RANCHO CANADA DE PALA; THENCE SOUTH 29° 00' EAST ALONG SAID LAST NAMED LINE, 5,761.16 FEET TO THE POINT OF BEGINNING.

PARCEL THREE:

BEGINNING AT A 2" X 3" STAKE SET ON THE NORTHEASTERLY LINE OF RANCHO CANADA DE PALA, DISTANT THEREON NORTH 29° 00' WEST 3,189.38 FEET FROM A ¾ INCH IRON PIPE SET AT THE EASTERN MOST CORNER OF SAID RANCHO CANADA DE PALA ON THE NORTHWESTERLY LINE OF THE RANCHO LOS HUECOS AND FROM WHICH POINT OF BEGINNING AN IRON BAR STANDING IN THE FORK OF SULPHUR AND SMITH CREEKS BEARS SOUTH 29° 00' EAST 355.86 FEET AND 48 INCH WHITE OAK TREE STANDING IN THE SAID NORTHEASTERLY LINE OF THE RANCHO CANADA DE PALA BEARS NORTH 29° 00' WEST 350.05 FEET, SOUTH 80° 12' WEST 172.08 FEET TO A 2" X 3" STAKE, SOUTH 69° 03' WEST 195.22 FEET TO A 2" X 3" STAKE, SOUTH 74° 33' WEST 256.63 FEET TO A 2" X 3" STAKE SET ON THE NORTHWESTERLY BANK OF SMITH CREEK; THENCE ALONG THE NORTHERLY BANK OF SMITH CREEK AS FENCED, SOUTH 85° 35' WEST 86.06 FEET TO A 2" X 3" STAKE, SOUTH 77° 46' 30" WEST 475.50 FEET TO A 2" X 3" STAKE, NORTH 78° 01' 30" WEST 155.41 FEET TO A 2" X 3" STAKE, NORTH 69° 59' 30" WEST 383.29 FEET TO A 2" X 3" STAKE, NORTH 71° 18' 30" WEST 514.78 FEET TO A 2" X 3" STAKE, NORTH 81° 24' WEST 208.93 FEET TO A 2" X 3" STAKE AND THE TRUE POINT OF BEGINNING OF THE TRACT OF LAND TO BE DESCRIBED; THENCE FROM SAID TRUE POINT OF BEGINNING SOUTH 81° 24' EAST 208.93 FEET TO A 2" X 3" STAKE; THENCE AT

First American Title Insurance Company

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RIGHT ANGLES SOUTH 8° 36' WEST TO A POINT IN THE CENTER LINE OF SMITH CREEK; THENCE WESTERLY ALONG SAID CENTER LINE OF SMITH CREEK TO A POINT WHICH BEARS SOUTH 8° 36' WEST FROM THE TRUE POINT OF BEGINNING; THENCE NORTH 8° 36' EAST TO THE TRUE POINT OF BEGINNING.

PARCEL FOUR:

A PORTION OF SECTION 16, TOWNSHIP 7 SOUTH, RANGE 3 EAST, M.D.B. & M. AND A PORTION OF THE RANCHO CANADA DE PALA DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE IN THE NORTHEASTERLY LINE OF THE RANCHO CANADA DE PALA, DISTANT THEREON NORTH 29° WEST 3060.08 FEET FROM THE MOST EASTERLY CORNER THEREOF DESIGNATED AS CP NO. 6 IN THE PATENT, AND RUNNING THENCE SOUTH 56° 14' EAST 375.33 TO A 2" X 3" STAKE (CROSS SULPHUR CREEK ON THIS COURSE); THENCE SOUTH 14° 53' EAST 199.78 FEET TO A 2" X 3" STAKE ON THE EASTERLY SIDE OF SMITH CREEK; THENCE SOUTH 61° WEST TO THE CENTER OR SMITH CREEK; THENCE NORTHWESTERLY ALONG THE CENTER OF SMITH CREEK TO THE INTERSECTION THEREOF WITH THE NORTHEASTERLY LINE OF THE RANCHO CANADA DE PALA; THENCE CONTINUING NORTHWESTERLY ALONG THE CENTER LINE OF SMITH CREEK TO A POINT WHICH SAID POINT BEARS NORTH 29° WEST 129.30 FEET; SOUTH 80° 12' WEST 172.08 FEET; SOUTH 69° 03' WEST 159.22 FEET AND SOUTH 60 FEET FROM THE POINT OF BEGINNING; THENCE NORTH 60 FEET TO A 2" X 3" STAKE; NORTH 69° 03' EAST 159.22 FEET TO A 2" X 3" STAKE; NORTH 80° 12' EAST 172.08 FEET TO A 2" X 3" STAKE; NORTH 69° 03' EAST 159.22 FEET TO A 2" X 3" STAKE; NORTH 80° 12' EAST 172.08 FEET TO A 2" X 3" STAKE AND SOUTH 29° EAST 129.30 FEET TO THE POINT OF BEGINNING.

PARCEL FIVE:


APN: 627-06-002, 627-07-013 AND 627-07-014
EXHIBIT B TO OPTION AGREEMENT

GRANT DEED

(Mt. Hamilton • Nolan Ranch • Santa Clara County)

RECORDING REQUESTED BY, AND
WHEN RECORDED, PLEASE MAIL TO:

The Nature Conservancy
Attn: California Regional Counsel
201 Mission Street, Fourth Floor
San Francisco, CA 94105

Space above for Recorder's Use

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

hereby GRANTS to

THE NATURE CONSERVANCY, a District of Columbia non-profit corporation,

the real property in the County of Santa Clara, State of California, more particularly described on Exhibit A attached hereto.

Together with all water, water rights, water appropriations, ditches, ditch rights-of-way and ditch rights as heretofore used and enjoyed in connection with the above-described lands and all of Grantor's interest in all oil, gas, hydrocarbons and minerals, and all surface and subsurface rights, and all hereditaments, easements, incidents and appurtenances thereto.

Dated: ___________________ ______________
State of California

County of ______________________

On ______________________ before me, ____________________________ personally appeared ______________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature ___________________________ (Seal)
EXHIBIT A TO GRANT DEED

LEGAL DESCRIPTION OF THE REAL PROPERTY

(Mt. Hamilton • Nolan Ranch • Santa Clara County)
EXHIBIT C TO OPTION AGREEMENT

CERTIFICATE OF NON-FOREIGN STATUS -- INDIVIDUAL

(Mt. Hamilton • Nolan Ranch • Santa Clara County)

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest, I, ________________________________, hereby certify the following:

1. I am not a nonresident alien for purposes of U.S. income taxation;

2. My U.S. taxpayer identifying number (Social Security number) is ____________________________________; and

3. My home address is:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

I understand that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement I have made here could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct, and complete.

Date: __________________________________

Signature: ________________________________
EXHIBIT D TO OPTION AGREEMENT

WITHHOLDING EXEMPTION CERTIFICATE

(Mt. Hamilton • Nolan Ranch • Santa Clara County)

[The Withholding Exemption Certificate underlies this Exhibit D cover page]
EXHIBIT E TO OPTION AGREEMENT

LIST OF THE PERSONAL PROPERTY

(Mt. Hamilton • Nolan Ranch • Santa Clara County)

NONE
EXHIBIT F TO OPTION AGREEMENT

BILL OF SALE

(Mt. Hamilton • Nolan Ranch • Santa Clara County)

For good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned Seller hereby transfers, assigns and conveys to The Nature Conservancy, a District of Columbia non-profit corporation, WITHOUT WARRANTY except as set forth in that certain Option Agreement for Purchase and Sale of Real Estate dated as of __________, 2011, between Seller and Purchaser (the "Purchase Agreement"), all of those certain improvements, fixtures, and other personal property described in Schedule 1 situated on that certain real property in Santa Clara County, State of California, more fully described in Schedule 2 attached hereto, free and clear of all liens and encumbrances. Purchaser, by acceptance of this Bill of Sale, acknowledges and agrees that the Personal Property is granted, bargained, sold, transferred, assigned, conveyed and delivered on an "as is, where is, with all faults and defects" basis with no warranties, express or implied, from Seller as to condition or fitness for a particular use or purpose except as set forth in the Purchase Agreement, and that the foregoing conveyance is subject to all additional disclaimers set forth in the Purchase Agreement.

Dated: ____________________________

Signed: ____________________________
EXHIBIT G TO OPTION AGREEMENT

MEMORANDUM OF OPTION AGREEMENT

(Mt. Hamilton * Nolan Ranch * Santa Clara County)

RECORDING REQUESTED BY, AND WHEN RECORDED, PLEASE MAIL TO:

The Nature Conservancy
Attn: California Regional Counsel
201 Mission Street, Fourth Floor
San Francisco, CA 94105

Space above for Recorder’s Use

MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AGREEMENT (the “Memorandum”) is made this ___ day of ____________ (the “Memorandum Date”) by ________________________, ("Seller"), and THE NATURE CONSERVANCY, a District of Columbia nonprofit corporation (the “Conservancy”).

1. Seller and the Conservancy have entered into a certain Option Agreement of even date with this Memorandum (the “Option Agreement”). According to the terms and conditions of the Option Agreement, Seller has granted to the Conservancy an exclusive and irrevocable option to purchase that certain land located in ____________ County, State of California, containing ____________ (_____) acres, more or less, and described on Attachment 1 to this Memorandum (the “Property”).

2. The purpose of this Memorandum is to give notice of the rights and obligations of Seller and of the Conservancy under the Option Agreement. All of the terms and conditions of the Option Agreement are incorporated into this Memorandum by reference as if they were fully set forth herein. This Memorandum does not modify the terms or conditions of the Option Agreement.

3. Subject to the terms and conditions of the Option Agreement, this Memorandum is binding on and inures to the benefit of Seller and the Conservancy and their respective successors and assigns.
The parties to this Memorandum have executed this Memorandum as of the Memorandum Date.

SELLER:

__________________________
Owen Nolan, an unmarried man

THE CONSERVANCY:

THE NATURE CONSERVANCY,
a District of Columbia nonprofit

By:__________________________

Name:________________________

Title:________________________
State of California

County of __________________________

On __________________________ before me, __________________________, personally appeared __________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature __________________________

(Seal)

State of California

County of __________________________

On __________________________ before me, __________________________, personally appeared __________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature __________________________

(Seal)
ATTACHMENT 1 TO MEMORANDUM OF OPTION AGREEMENT

LEGAL DESCRIPTION OF THE PROPERTY