

LEASE WITH OPTION TO PURCHASE AGREEMENT
Carmel Valley, California
Sherar—Monterey Peninsula Regional Park District

This lease with option to purchase (Lease), effective on the date signed below, is between Robert Cody Sherar and Margaret Flynt Sherar, Trustees of the Sherar Family 1983 Revocable Trust, as amended ("Landlord" and "Optionor") and the Monterey Peninsula Regional Park District, a public entity ("Tenant" and "Optionee").

1. Recitals.

- (a) Landlord/Optionor owns approximately 80 acres of property in Carmel Valley, CA ("Property"). The Property is undeveloped with the exception of some internal roads and an abandoned spring and is more particularly described in Exhibit A, attached and made a part of this document.
- (b) Landlord/Optionor desires to provide a public benefit by leasing the Property to The Park District and further desires to sell the Property to the Park District at a future date. Tenant/Optionee desires to lease the Property and to obtain an option to purchase the Property, subject to its review and approval of title and environmental reports.

2. Agreement to lease. Landlord agrees to lease to Tenant and tenant agrees to lease from Landlord that certain property described in attached Exhibit A under the terms and conditions set forth in this agreement.

3. Initial Term of Lease; Extension.

- a. The initial term for this lease shall commence upon the date signed below, and shall expire 90 days after Tenant receives written notice of the death of either Robert Cody Sherar or Margaret Flynt Sherar.
- b. Tenant may extend the initial term for an additional year on all the provisions contained in this agreement, following expiration of the initial term, by providing written notice of extension of the initial term to Landlord at the address shown below in Paragraph 25, at least 30 days before expiration of the initial term. Provided that, if Tenant is in default on the date of giving notice of extension of the initial term, the notice shall be totally ineffective, or if Tenant is in default on the date the extended term is to commence, the extended term shall not commence and this agreement shall expire at the end of the initial term.

4. Rent. Tenant shall pay \$5,000.00 as monthly rent, either annually on the tenth day of the first month of the Lease or monthly on the tenth day of each month, commencing from the date of this agreement for a period of five (5) years, to Mr. and Mrs. Cody Sherar, at 26585 Bonita Way, Carmel, CA 93923. Payments made under this section shall not be applied to the purchase price of the property during the first five (5) years of the lease. Rent payments starting after the first five (5) year period and until close of escrow shall be applied to the final purchase price.

5. Condition of Property. Landlord and Tenant have jointly inspected and noted the condition of the Property, and Tenant agrees that the property is in satisfactory condition.

6. Tenant and Optionor Obligations. Tenant and Optionor agree to perform the following obligations:

- a. To maintain the Property in a decent, safe, and sanitary condition, and to comply with all state and local laws, ordinances, and regulations concerning the condition of the leased premises.
- b. To dispose of all rubbish, garbage, and other waste in a clean and sanitary manner;
- c. To refrain from willfully or wantonly destroying, defacing, damaging, impairing or removing any part of the Property or permitting any person on the property to commit such acts.
- d. Not to disturb, annoy, endanger, or interfere with Landlord's access to the Property, nor use the Property for any unlawful purpose, violate any law or ordinance, or commit waste or nuisance on the leased Property.

7. Road Maintenance.

- a. For the duration of the Lease or any extension Tenant agrees to maintain existing roads on and within the Property to the condition existing at the commencement of the Lease.
- b. Notwithstanding Tenant's commitment to maintain internal roads on the Property as provided in subparagraph a above of this paragraph 7, Landlord affirms that there is no formal road maintenance agreement for the common bridge and road to the Property but that Landlord has contributed to an informal \$50/month "fair share" road maintenance fund that is administered by Frank Saunders, an adjacent property owner. Tenant shall not be responsible for the assumption of this informal road maintenance cost.
- c. For the duration of the Lease or any extension Landlord shall not agree to any informal or formal road maintenance agreement for the common bridge and road leading to the Property without consent of Tenant, which shall not be unreasonably withheld. If and when a formal road maintenance agreement is agreed to by Landlord and Tenant and recorded prior to the exercise of option Tenant agrees to pay its fair share as defined in the agreement.

8. Property Encumbrances. Landlord warrants that there are no recorded or unrecorded encumbrances, leases, obligations, or agreements, written or verbal, on the Property other than those included in the Preliminary Title Report. Landlord further agrees to not encumber the Property with any leases, obligations, or agreements, written or verbal, on the Property prior to the commencement of the Lease, its term, and any extension thereof.

9. Shaw Water Association. Landlord agrees to pay for any and all costs associated with its obligations under the Shaw Water Association agreement.

10. Tenant Improvements. Tenant shall not make, or permit to be made, any substantial improvements, additions or alterations of the property or any part thereof without the written consent of Landlord, which consent shall not be unreasonably withheld.

11. Assignment and Subletting. Tenant may not assign its interest under any part of this agreement, or sublet any portion of the Property, without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

12. Taxes, insurance, utilities and repair. Landlord shall pay all real property taxes on the property and Tenant shall carry sufficient fire and liability insurance, providing a certificate to Landlord showing Landlord as an additional insured on Tenant's policy.

13. Tenant Indemnification of Landlord. Tenant agrees to indemnify Landlord for any liability arising before expiration of this Lease, for personal injuries on, or damage to, the property caused by the negligent, willful, or intentional conduct of Optionee and its guests or invitees

on the property. This indemnification agreement does not waive Landlord's duty of care to prevent personal injury or property damage when law imposes that duty.

14. Grant of Option to Purchase; Term and Extension. Optionor grants to Optionee, and Optionee accepts, an option to purchase the property, in accordance with the provisions of this instrument. The initial term of the Option shall run with the initial term of the Lease. Any extension of the Option shall be conditioned upon running with an equal extension in term of the Lease. The purchase and sale of the property on exercise of the option shall be on the terms and conditions set forth in the Purchase and Sale Agreement ("Purchase Agreement"), attached as **Exhibit B** to this document.

15. Consideration for Option; Extension.

a. On the execution and delivery of this Lease, Optionee shall pay to Optionor, in immediately available funds the sum of \$60,000.00 as consideration for the option on or before the tenth day of the first month of the initial term of the Lease. The option consideration set forth in this section, as well as any other consideration deemed to have been received by Optionor under this Agreement, is and shall be deemed consideration solely for the granting of the option by Optionor. On expiration of the option term, Optionor shall retain all option consideration. If the option is exercised, Any option consideration paid to Optionor shall be credited to the purchase price of the property if closing occurs in accordance with the Purchase Agreement.

b. Optionee may extend the term of the option from the expiration of the Initial Term for one full year by payment to Optionor in immediately available funds the sum of \$60,000.00 on or before the 14th day before the expiration of the Initial Term.

c. Payments made under this section shall be applied to the purchase price of the property.

16. Exercise of Option. If Optionee is not in default under this Lease and all conditions to the exerciser of the option are satisfied or are waived in writing by Optionor, Optionee may exercise the option in accordance with this section and in no other manner. The option shall be exercised by delivering written notice from Optionee to Optionor before the expiration of the term of this option or its extension, as the case may be, and in accordance with the notice provision of Paragraph 25 (Exercise Notice). The Exercise Notice shall affirmatively state that the Optionee exercises the option without condition or qualification. Within three business days after exercise of the option, the parties shall execute and deliver the Purchase Agreement and shall deposit the funds and documents in escrow as required by the Purchase Agreement.

17. Condition of Title. Within 10 business days after execution of this Lease, Optionor shall deliver to Optionee a current preliminary report on the property prepared by First American Title Company, together with copies of all documents identified as exceptions in the report (Preliminary Report). Optionee shall have 10 business days after receipt of the Preliminary Report in which to approve or disapprove any or all of the exceptions shown in the Preliminary Report.

Optionee shall disapprove exceptions shown in the Preliminary Report only by delivering written notice to Optionor within the 10 business days. If Optionee does not give written notice of disapproval within that time, Optionee shall be deemed to have approved all the exceptions shown in the Preliminary Report.

If Optionee disapproves any exception to title, as provided above, Optionor shall notify Optionee within 5 business days after receipt of such notice of disapproval if Optionor is unwilling to clear the disapproved exceptions. Optionor covenants that, if the option is

exercised, Optionor shall, before closing under the Purchase Agreement, cause all disapproved exceptions to be removed as encumbrances against title to the Property except any exceptions that Optionor has notified Optionee that Optionor will not remove, in accordance with the notice provisions of this paragraph.

If Optionor notifies Optionee that Optionor will not remove one or more disapproved exceptions, Optionee may elect by delivering written notice to Optionor, within 5 business days after receipt of Optionor's notice, to terminate this option and receive a refund of the option consideration paid to Optionor or to waive this condition, and this option shall then remain in full force and effect. Optionee's failure to give notice shall terminate this option.

17. Environmental Review; Representations and Warranties of Optionor.

- a. Optionee, at its cost, will obtain a Phase One environmental report ("Report") prior to its exercise of the option to purchase the property and will also provide a copy of the Report to Optionor prior to the expiration of the initial option term. Optionor shall permit said Report investigation to be conducted.
- b. Optionor hereby represents and warrants that to the best of Optionor's knowledge that no hazardous materials are located on or under the property; that there has been no release, storage, treatment, generation, or disposal of any hazardous materials on, under or from the property; and that no hazardous materials have been transported from the property. These representations and warranties shall survive close of escrow on the sale of the subject property, or any portion of it, to Optionee.
- c. Optionee understands and acknowledges that Optionor has not undertaken any investigation or inspection of the property with regard to environmental matters and that both Optionor and Optionee will rely solely on the Report as the only investigation and inspection undertaken by Optionor with regard to these matters.

18. Assignment of Option. Optionee may assign this option and the rights under it, but such assignment shall not relieve Optionee of any liability or obligation under this Option Agreement. An assignment shall be effective only if the assigned assumes all the duties and obligations of Optionee under this Option Agreement in writing and duly executed and delivered to Optionor.

19. Memorandum of Option to be Recorded. On execution of this Lease, Optionor and Optionee shall execute and record in the official records of the County of Monterey, a Memorandum of Option in the form of **Exhibit C**, attached. Optionee shall pay the recording cost. Optionee covenants to execute and deliver to Optionor immediately on the expiration or earlier termination of the terms of this Lease a quitclaim deed in recordable form releasing and reconveying to Optionor all right, title, and interest of Optionee to the property.

20. Time is of Essence; failure to exercise. Time is of the essence in exercise of the option provided in this Lease. If the option is not exercised as required by this agreement before expiration of the term of the lease and of the option that is set forth here, the option and all rights of Optionee shall automatically and immediately terminate without notice, and Optionee shall have no interest whatever in the property. Once terminated, the option may not be revived by any subsequent payment or further action by Optionee.

21. Breach of Covenant of Lease; Service of Notice. The parties consider each and every term, covenant, and provision of this agreement as material and reasonable.

22. Attorneys' fees. In any legal action brought by either party to enforce the terms of this agreement, the prevailing party is entitled to all costs incurred in connection with such an action, including reasonable attorney's fees.
23. No waiver. Waiver by either party of a breach of any covenant of this agreement will not be construed to be a continuing waiver of any subsequent breach. Optionor's receipt of rent with knowledge of the Optionee's violation of a covenant does not waive Optionor's right to enforce any covenant of this Lease. No waiver by either party of a provision of this lease will be considered to have been made unless expressed in writing and signed by all parties.
24. Entire Agreement. This Lease contains the entire agreement between the parties pertaining to the subject matter in it and supersedes all prior and contemporaneous agreements. No supplement, modification, or amendment of this Lease shall be binding unless executed in writing by all parties.
25. Notices. All notices and other communications authorized or required under this Lease shall be in writing and shall be given by (1) personal delivery, (2) mailing by certified mail or registered mail, return receipt requested, postage prepaid, or United States express mail, or (3) delivery by commercially recognized courier service. Any such notice or other communication shall be deemed to have been given on the date of delivery or refusal to accept delivery if addressed as follows:

Landlord/Optionor:

Robert Cody & Margaret Flynt Sherar, Trustees
 26585 Bonita Way
 Carmel, CA 93923

Tenant/Optionee:

Monterey Peninsula Reg. Park Dist.
 60 Garden Court #325
 Monterey, CA 93940

26. Binding on Successors. Except as otherwise provided, all terms, covenants, conditions and obligations contained in this Lease shall be binding upon and inure to the benefit of the heirs, successors, legal representatives and assigns of the parties thereto.

IN WITNESS WHEREOF, the parties have executed this Lease on the date set forth beside the signature of each.

Landlord/Optionor:

The Sherar Family 1983 Revocable Trust, as amended

Date: January 11, 2008

By: Robert Cody Sherar, Trustee
 Robert Cody Sherar, Trustee

Date: January 11, 2008

By: Margaret Flynt Sherar, Trustee
 Margaret Flynt Sherar, Trustee

Tenant/Optionee: The Monterey Peninsula Regional Park District

Date: 1/11/08

By: Joseph Donofrio
 Joseph Donofrio, General Manager

EXHIBIT "A"

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

PARCEL I:

Parcel III as said parcel is shown on the Record of Survey, filed November 28, 2005, in Volume 28 "Surveys", Page 64, Official Records, Monterey County.

PARCEL II:

A non-exclusive right of way for road and utility purposes over that certain strip of real property described in Reel 189 of Official Records of Monterey County at page 522 particularly described as follows:

A right of way for road and utility purposes over and across a strip of land 60.00 feet in width lying 30.00 feet equally on each side of the following described centerline:

Beginning at a point on the section line common to Sections 29 and 30, Township 16 South, Range 2 East, M. D. B. & M., which bears North $1^{\circ} 12' 38''$ West, 252.01 feet distant from the East one-quarter corner of said Section 30; thence

- (1) S. $84^{\circ} 29' 25''$ W., 321.25 feet; thence
- (2) N. $18^{\circ} 25' 50''$ W., 109.74 feet; thence
- (3) N. $67^{\circ} 17' 35''$ W., 173.85 feet; thence
- (4) S. $80^{\circ} 05' 25''$ W., 144.08 feet; thence
- (5) S. $53^{\circ} 01' 35''$ E., 185.79 feet; thence
- (6) S. $15^{\circ} 14' 05''$ E., 69.55 feet to a point from which a 14" Oak Tree bears S. $9^{\circ} 34' 35''$ E., 72.3 feet and 12" Oak Tree bears N. $30^{\circ} 05' 25''$ E., 24.7 feet; thence
- (7) N. $45^{\circ} 59' 35''$ W., 102.17 feet to a point from which a 24" Oak Tree Bears S. $40^{\circ} 14' 55''$ W., 10.1 feet distant; thence
- (8) N. $76^{\circ} 17' 20''$ W., 81.32 feet; thence
- (9) S. $37^{\circ} 17' 35''$ E., 181.36 feet to a point from which a 22" Oak Tree Bears S. $64^{\circ} 27' 25''$ W., 12.0 feet distant; thence
- (10) S. $12^{\circ} 59' 20''$ E., 113.91 feet; thence
- (11) N. $88^{\circ} 01' 10''$ E., 102.15 feet; thence
- (12) S. $64^{\circ} 50' 05''$ E., 52.50 feet to a point on the east-west one Quarter Section line through the center of Section 30, Township 16 South, Range 2 East, Mount Diablo Base and Meridian, which bears N. $89^{\circ} 41' 41''$ W., 362.82 feet distant from the East one-quarter corner of said Section 30.

PARCEL III:

Certain real property situate in Section 29, T. 16S., R2E, M.D.B. & M, County of Monterey, State of California, particularly described as follows:

A right-of-way for road and utility purposes over a strip of land 60 feet wide lying 30 feet equally on each side of the following described line:

Beginning at the southwesterly terminus of that certain course numbered (1) of Parcel B as said course and parcel are described in Exhibit E (Sheets 1 and 2 of 2) of that certain "Grant of Easement" deed recorded April 8, 1983 in Reel 1624 at Page 661, Official Records of Monterey County, California; thence along said course and the following seven (7) courses:

- (1) N. 84° 34' 38" E., 19.22 feet; thence
- (2) S. 75° 43' 07" E., 104.01 feet; thence
- (3) S. 29° 53' 37" E., 119.2 feet; thence
- (4) S. 52° 06' 52" E., 151.22 feet; thence
- (5) S. 82° 27' 52" E., 55.53 feet; thence
- (6) N. 35° 53' 07" W., 174.41 feet; thence
- (7) S. 58° 21' 52" E., 76.66 feet; thence
- (8) S. 65° 50' 52" E., 231.96 feet; thence leaving last said course
- (9) N. 88° 09' 30" E., 134.40 feet; thence
- (10) Northeasterly, 24.12 feet along the arc of a tangent curve to the left having a radius of 30.00 feet through a central angle of 46° 03' 25" to a point of compound curvature; thence tangentially
- (11) Northwesterly, 24.23 feet along the arc of a compound curve to the left having a radius of 19.90 feet, through a central angle of 69° 45' 32"; thence tangentially
- (12) N. 27° 39' 27" W., 68.74 feet to a point on that certain course numbered (12), as said course is described in said deed; thence along last said course
- (13) N. 65° 47' 49" W., 137.13 feet; thence leaving last said course
- (14) N. 42° 29' 30" W., (at 62.12 feet, a point hereinafter referred to as "Point A"), 127.81 feet; thence
- (15) N. 23° 09' 00" W., (at 25.11 feet, a point hereinafter referred to as "Point B") 49.21 feet; thence
- (16) N. 07° 36' 37" W., 141.78 feet; thence running along a line drawn parallel with, and 30.00 feet northeasterly and easterly of those certain courses numbered (3), (2) and (1) of Parcel A, as said courses and parcel are also described in said Exhibit E
- (17) N. 48° 29' 43" W., 313.81 feet; thence
- (18) N. 08° 59' 25" W., 173.59 feet; thence

(19) N. 01° 07' 25" W., 327.74 feet to the intersection of said parallel line with the southerly line of Carmel Valley Road (a county road) as said intersection bears (along said road line) N. 79° 44' 47" W., 30.60 feet from the most northerly corner of said Parcel A.

PARCEL IV:

An undivided 1/3 interest in that certain Well Site more particularly described as follows:

Commencing at a point described in Parcel III above as "Point B"; thence

(a) N. 65° 51' E., 30.00 feet to the TRUE POINT OF BEGINNING; thence

(1) N. 23° 09' W., 20.00 feet; thence

(2) N. 66° 51' E., 40.00 feet; thence

(3) S. 23° 09' E., 40.00 feet; thence

(4) S. 66° 51' W., 40.00 feet; thence

(5) N. 23° 09' W., 20.00 feet to the TRUE POINT OF BEGINNING.

PARCEL V:

A right-of-way for utility purposes over a strip of land 10 feet in width lying 5 feet adjacent to and on each side of the following described centerline:

Commencing at the southwesterly corner of Parcel 1 (20.889 acres), as said parcel and designation are shown on that certain Record of Survey map filed April 5, 1979 in Volume 12 of Surveys, at Page 42, Records of Monterey County, California; thence along the southerly boundary thereof

(a) N. 89° 33' 27" E., 365.84 feet to the TRUE POINT OF BEGINNING; thence leaving said boundary

(1) N. 39° 27' 00" E., 40.40 feet; thence

(2) N. 27° 30' 00" E., 82.00 feet; thence

(3) N. 11° 30' 00" E., 53.00 feet; thence

(4) N. 31° 00' 00" E., 83.73 feet to a point hereinabove described as "Point A"; thence

(5) N. 42° 29' 30" W., 65.69 feet; thence

(6) N. 23° 09' 00" W., 25.11 feet to a point hereinabove described as "Point B"; thence

(7) N. 66° 51' 00" E., 30.00 feet to a point hereinabove described as "TRUE POINT OF BEGINNING" in Parcel IV above.

PARCEL VI:

An easement for water line purposes over a strip of land 10 feet wide lying 10 feet northerly of the following described line:

Beginning at the easterly one quarter corner of Section 30, Township 16 South, Range 2 East., Mount Diablo Base and Meridian, thence along the southerly boundary of Parcel I as said Parcel is shown on that certain map filed in Volume 8 of "Parcel Maps", at page 50, Monterey County Records, N. 89° 33' 27" E., 365.84 feet to a point.

PARCEL VII:

A non-exclusive right of way, 60 feet wide, for road way purposes over existing roads and jeep trail to date (March 1979) lying within Parcel IV, as said parcel is shown on the Parcel Map filed in Volume 8 of "Parcel Maps", at page 50, Official Records.

APN: 416-511-012(Parcel I), 416-027-025(Por. Parcel IV)

**Recording REQUESTED BY
AND WHEN RECORDED MAIL TO**

Tim Jensen
Planning and Programs Manager
Monterey Peninsula Regional Park District
60 Garden Court, Suite 325
Monterey, CA 93940

DOCUMENT: **2008001980**



Titles: 1/ Pages: 7

Fees... 27.00
Taxes...
Other...
AMT PAID \$27.00

Memorandum of Option

This memorandum of Option is made on January 11, 2008 between Robert Cody Sherar and Margaret Flynt Sherar, trustees of The Sherar Family 1983 Revocable Trust, as amended (Optionor), and the Monterey Peninsula Regional Park District, a public entity (Optionee), who agree as follows:

1. Optionor grants to Optionee the option to purchase the real property described in Exhibit A attached and made a part of this document.
2. The term of the option is for a period beginning on January 1, 2008, and expiring 90 days after receipt by Optionee of written notice of the death of either Robert Cody Sherar or Margaret Flynt Sherar. Optionee may extend the option for an additional year with 30 days notice prior to the expiration date.
3. The option that is the subject of this Memorandum of Option is granted in accordance with an option agreement between Optionor and Optionee concerning the option property and dated (Option Agreement). This Memorandum of Option is prepared for the purpose of recordation and shall not alter or affect in any way the rights and obligations of Optionor and Optionee under the Lease with Option to Purchase Agreement. In the event of any inconsistency between this Memorandum of Option and the Option Agreement, the terms of the rights and obligations of Optionor and Optionee under the Lease with Option to Purchase Agreement shall control.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Option.

Optionor: The Sherar Family 1983 Revocable Trust, as amended

Dated: January 11, 2008

By: Robert Cody Sherar, Trustee
Robert Cody Sherar, Trustee

Margaret Flynt Sherar, Trustee
Margaret Flynt Sherar, Trustee

Optionee: The Monterey Peninsula Regional Park District

Dated: 1/11/08

By: Joseph Donofrio
Joseph Donofrio, General Manager

ACKNOWLEDGEMENT

STATE OF CALIFORNIA

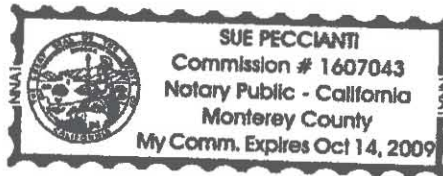
COUNTY OF Monterey

On January 11, '08 before me, Sue Peccianti, Notary Public, personally appeared ROBERT CODY SHERAR and MARGARET FLYNT SHERAR, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

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

WITNESS my hand and official seal.

Sue Peccianti
Notary Public



Notary Public

seal

STATE OF CALIFORNIA

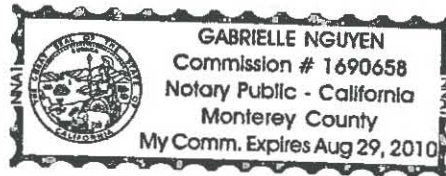
COUNTY OF Monterey

On Jan. 11th, 2008, before me, Gabrielle Nguyen, Notary Public, personally appeared JOSEPH DONOFRIO, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

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

WITNESS my hand and official seal.

See Attached
Notary Public



Notary Public

seal

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Monterey }

On Jan. 11th, 2008 before me, Gabrielle Nguyen, Notary Public,
Date Here Insert Name and Title of the Officer

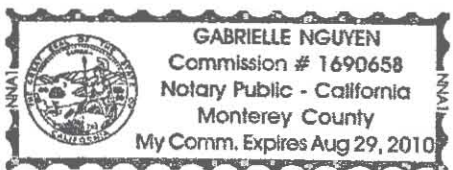
personally appeared Joseph Donofrio
Name(s) of Signer(s)

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 [Handwritten Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____



Signer Is Representing: _____

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____



Signer Is Representing: _____

EXHIBIT "A"

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

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- (1) S. 84° 29' 25" W., 321.25 feet; thence
- (2) N. 18° 25' 50" W., 109.74 feet; thence
- (3) N. 67° 17' 35" W., 173.85 feet; thence
- (4) S. 80° 05' 25" W., 144.08 feet; thence
- (5) S. 53° 01' 35" E., 185.79 feet; thence
- (6) S. 15° 14' 05" E., 69.55 feet to a point from which a 14" Oak Tree bears S. 9° 34' 35" E., 72.3 feet and 12" Oak Tree bears N. 30° 05' 25" E., 24.7 feet; thence
- (7) N. 45° 59' 35" W., 102.17 feet to a point from which a 24" Oak Tree Bears S. 40° 14' 55" W., 10.1 feet distant; thence
- (8) N. 76° 17' 20" W., 81.32 feet; thence
- (9) S. 37° 17' 35" E., 181.36 feet to a point from which a 22" Oak Tree Bears S. 64° 27' 25" W., 12.0 feet distant; thence
- (10) S. 12° 59' 20" E., 113.91 feet; thence
- (11) N. 88° 01' 10" E., 102.15 feet; thence
- (12) S. 64° 50' 05" E., 52.50 feet to a point on the east-west one Quarter Section line through the center of Section 30, Township 16 South, Range 2 East, Mount Diablo Base and Meridian, which bears N. 89° 41' W., 362.82 feet distant from the East one-quarter corner of said Section 30.

PARCEL III:

Certain real property situate in Section 29, T. 16S., R2E, M.D.B. & M, County of Monterey, State of California, particularly described as follows:

A right-of-way for road and utility purposes over a strip of land 60 feet wide lying 30 feet equally on each side of the following described line:

Beginning at the southwesterly terminus of that certain course numbered (1) of Parcel B as said course and parcel are described in Exhibit E (Sheets 1 and 2 of 2) of that certain "Grant of Easement" deed recorded April 8, 1983 in Reel 1624 at Page 661, Official Records of Monterey County, California; thence along said course and the following seven (7) courses:

- (1) N. 84° 34' 38" E., 19.22 feet; thence
- (2) S. 75° 43' 07" E., 104.01 feet; thence
- (3) S. 29° 53' 37" E., 119.2 feet; thence
- (4) S. 52° 06' 52" E., 151.22 feet; thence
- (5) S. 82° 27' 52" E., 55.53 feet; thence
- (6) N. 35° 53' 07" W., 174.41 feet; thence
- (7) S. 58° 21' 52" E., 76.66 feet; thence
- (8) S. 65° 50' 52" E., 231.96 feet; thence leaving last said course
- (9) N. 88° 09' 30" E., 134.40 feet; thence
- (10) Northeasterly, 24.12 feet along the arc of a tangent curve to the left having a radius of 30.00 feet through a central angle of 46° 03' 25" to a point of compound curvature; thence tangentially
- (11) Northwesterly, 24.23 feet along the arc of a compound curve to the left having a radius of 19.90 feet, through a central angle of 69° 45' 32"; thence tangentially
- (12) N. 27° 39' 27" W., 68.74 feet to a point on that certain course numbered (12), as said course is described in said deed; thence along last said course
- (13) N. 65° 47' 49" W., 137.13 feet; thence leaving last said course
- (14) N. 42° 29' 30" W., (at 62.12 feet, a point hereinafter referred to as "Point A"), 127.81 feet; thence
- (15) N. 23° 09' 00" W., (at 25.11 feet, a point hereinafter referred to as "Point B") 49.21 feet; thence
- (16) N. 07° 36' 37" W., 141.78 feet; thence running along a line drawn parallel with, and 30.00 feet northeasterly and easterly of those certain courses numbered (3), (2) and (1) of Parcel A, as said courses and parcel are also described in said Exhibit E
- (17) N. 48° 29' 43" W., 313.81 feet; thence
- (18) N. 08° 59' 25" W., 173.59 feet; thence

(19) N. 01° 07' 25" W., 327.74 feet to the intersection of said parallel line with the southerly line of Carmel Valley Road (a county road) as said intersection bears (along said road line) N. 79° 44' 47" W., 30.60 feet from the most northerly corner of said Parcel A.

PARCEL IV:

An undivided 1/3 interest in that certain Well Site more particularly described as follows:

Commencing at a point described in Parcel III above as "Point B"; thence

(a) N. 65° 51' E., 30.00 feet to the TRUE POINT OF BEGINNING; thence

(1) N. 23° 09' W., 20.00 feet; thence

(2) N. 66° 51' E., 40.00 feet; thence

(3) S. 23° 09' E., 40.00 feet; thence

(4) S. 66° 51' W., 40.00 feet; thence

(5) N. 23° 09' W., 20.00 feet to the TRUE POINT OF BEGINNING.

PARCEL V:

A right-of-way for utility purposes over a strip of land 10 feet in width lying 5 feet adjacent to and on each side of the following described centerline:

Commencing at the southwesterly corner of Parcel 1 (20.889 acres), as said parcel and designation are shown on that certain Record of Survey map filed April 5, 1979 in Volume 12 of Surveys, at Page 42, Records of Monterey County, California; thence along the southerly boundary thereof

(a) N. 89° 33' 27" E., 365.84 feet to the TRUE POINT OF BEGINNING; thence leaving said boundary

(1) N. 39° 27' 00" E., 40.40 feet; thence

(2) N. 27° 30' 00" E., 82.00 feet; thence

(3) N. 11° 30' 00" E., 53.00 feet; thence

(4) N. 31° 00' 00" E., 83.73 feet to a point hereinabove described as "Point A"; thence

(5) N. 42° 29' 30" W., 65.69 feet; thence

(6) N. 23° 09' 00" W., 25.11 feet to a point hereinabove described as "Point B"; thence

(7) N. 66° 51' 00" E., 30.00 feet to a point hereinabove described as "TRUE POINT OF BEGINNING" in Parcel IV above.

PARCEL VI:

An easement for water line purposes over a strip of land 10 feet wide lying 10 feet northerly of the following described line:

Beginning at the easterly one quarter corner of Section 30, Township 16 South, Range 2 East., Mount Diablo Base and Meridian, thence along the southerly boundary of Parcel I as said Parcel is shown on that certain map filed in Volume 8 of "Parcel Maps", at page 50, Monterey County Records, N. 89° 33' 27" E., 365.64 feet to a point.

PARCEL VII:

A non-exclusive right of way, 60 feet wide, for road way purposes over existing roads and jeep trail to date (March 1979) lying within Parcel IV, as said parcel is shown on the Parcel Map filed in Volume 8 of "Parcel Maps", at page 50, Official Records.

APN: 416-511-012(Parcel I), 416-027-025(Par. Parcel IV)

END OF DOCUMENT

Purchase and Sale Agreement

Monterey County, California

This agreement is made on January 11, 2008, between Robert Cody Sherar and Margaret Flynt Sherar, Trustees of The Sherar Family 1983 Revocable Trust, as amended (Seller), and the Monterey Peninsula Regional Park District (The Park District), a political subdivision of the State of California as defined under Public Resource Code 5500 et seq. (Buyer), and effective upon exercise of that certain option granted by the Seller to the Buyer and signed by them on January 11, 2008.

1. Agreement to Sell and to Purchase; Description of Property. Seller agrees to sell and Buyer agrees to purchase the property described in Exhibit A, attached (Property).
2. Purchase Price. The purchase price for the property is One Million Two Hundred Thousand Dollars (\$1,200,000.00). Buyer's single option consideration of \$60,000.00 and any consideration paid for the extension of the Option, as well as any monthly rent paid after the first five (5) years of the Lease with Option to Purchase shall be credited toward the final purchase price for the Property.
3. Effective Date. This Purchase and Sale Agreement is effective upon exercise of the Option granted from the Seller to the Buyer.
4. Escrow. This sale shall be consummated through an escrow established with First American Title Insurance Company in Monterey County, California. The closing date for the escrow will be forty-five (45) days from the date of the exercise of the option held by Buyer on the Property. Close of escrow shall occur when the grant deed from Seller to Buyer for the Property is recorded.

Within fifteen (15) days after Buyer's exercise of option on the Property each party shall execute and deliver to the escrow holder its written instructions consistent with the terms of this agreement and shall provide the escrow holder with such other information, including but not limited to an updated Preliminary Title Report, other documents, and instruments as the escrow holder may reasonably require to enable it to close the transactions on the closing date.

4. Vesting title. On close of escrow, title shall vest as nominated by Buyer. Seller shall convey by grant deed to Buyer a fee simple interest free and clear of all title defects, liens, encumbrances, deeds of trust, and mortgages, except as approved by Buyer.
5. Payment of title insurance, taxes and costs of recordation, escrow fees.
 - a. Seller shall pay for and procure a California Land Title Association standard policy of title insurance in the amount of the purchase price to be paid by Seller and to be issued by First American Title Insurance in Monterey County, California, with only those exceptions to title approved by Buyer.
 - b. Real property taxes and assessments shall be prorated to close of escrow. Seller shall pay any supplemental tax bill.
 - c. Seller shall pay all costs and expenses of clearing title (except for those exceptions caused by Buyer or its agent) and preparing, executing, and delivering the grant deed.
 - d. Buyer shall pay all recording fees, except those in connection with clearing title exceptions caused by Seller.

e. Buyer and Seller shall each pay half of the escrow fee.

6. Notices. All notices and demands shall be given in writing either by personal service or by registered or certified mail, postage prepaid, and return receipt requested. Notice shall be considered given on the date appearing on the return receipt, but if the receipt is not returned within 5 days, then 48 hours after mailed. Notices shall be addressed as shown below for each party, except that, if any party gives notice of a change of name or address, notices to that party shall thereafter be given as shown in that notice.

To Seller

Robert Cody or Margaret Flynt Sherar, Trustees
26585 Bonita Way
Carmel, CA 93933

To Buyer:

Monterey Peninsula Regional Park District
60 Garden Court #325
Monterey, CA 93940

7. Attorneys Fees. In the event of any action at law or in equity between the parties arising from or in connection with this Option Agreement, the prevailing party shall recover attorney fees and other costs incurred in that action in addition to any other relief, and such attorney fees and costs shall be included in and as a part of any judgment in such action.
8. Entire Agreement. This Agreement contains the entire agreement between the parties pertaining to the subject matter in it and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this Purchase Agreement shall be binding unless executed in writing by all parties.
9. Waiver. No waiver of any provision of this Purchase Agreement shall constitute or be deemed a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless the party making the waiver executes it in writing.

Executed on the date first above written.

Seller: The Sherar Family 1983 Revocable Trust, as amended

Date: January 11, 2008

By: Robert Cody Sherar, Trustee
Robert Cody Sherar, Trustee

OR

Date: January 11, 2008

By: Margaret Flynt Sherar, Trustee
Margaret Flynt Sherar

Buyer: The Monterey Peninsula Regional Park District

Date: 1/11/08

By: Joseph Donofrio
Joseph Donofrio, General Manager

