

SANTA CLARA VALLEY WATER DISTRICT

GRANT AGREEMENT FOR FUNDING ACQUISITION OF REAL PROPERTY

(SARGENT RANCH)

This Grant Agreement for Funding Acquisition of Real Property (Agreement), effective January 27, 2026, is entered into by and between the Santa Clara Valley Water District, a California special district (Valley Water), and Peninsula Open Space Trust, a California nonprofit public benefit corporation (POST), in accordance with Valley Water's Safe, Clean Water and Natural Flood Protection Program's Project D7: Partnerships for the Conservation of Habitat Lands (Project D7). Valley Water and POST may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement." This Agreement provides for funding from Valley Water towards the acquisition of 2184.41 acres of property commonly known as a portion of Sargent Ranch (Property) in fee simple title by the POST (Project).

RECITALS

WHEREAS, Valley Water's mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy;

WHEREAS, In November 2012, the voters of Santa Clara County passed Measure B establishing a special tax to fund the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program). In November 2020 the voters of Santa Clara County passed Measure S renewing the special tax until ended by voters;

WHEREAS, The renewed Safe, Clean Water Program special tax provides funding for activities consistent with this Project D7: Partnerships for the Conservation of Habitat Lands, focused on restoring wildlife habitat and providing open space;

WHEREAS, POST submitted a funding request to Valley Water for its Project to carry out acquisition of the Property, which is anticipated to close on or before January 29, 2026;

WHEREAS, Valley Water will contribute Safe, Clean Water funds after said closing by POST in accordance with this Agreement pursuant to Priority D: Restore Wildlife Habitat and Provide Open Space;

WHEREAS, Safe, Clean Water funds allocated pursuant to this Agreement will further Valley Water's efforts to achieve the Project D7 key performance indicator #1 (Provide up to \$8 million per 15-year period for the acquisition or enhancement of property for the conservation of habitat lands);

WHEREAS, The Property is located entirely within the Juristac Tribal Cultural Landscape, a complex of interconnected Indigenous sacred sites, village sites and elements such as specific springs, waterways, plant populations and landscape features associated with traditional cultural and spiritual practices. Juristac is considered by the Amah Mutsun Tribal Band to be a place of great spiritual power and was the location of the tribe's most important ceremonies for healing and renewal.

WHEREAS, the Property is a critical landscape linkage for wildlife that is widely recognized in the conservation community and the property is known for its scenic beauty and unique natural features such as its tar springs, live oak trees, and free-flowing streams.

WHEREAS, Valley Water has developed funding criteria for the allocation of Project D7 funds that will help achieve its Safe, Clean Water Project D7 objectives; ensure that the allocation protects, enhances, and restores natural resources in Santa Clara County, contributes to the recovery of special status species, coordinates regional mitigation or conservation projects to create larger, less fragmented conservation lands that are more beneficial for wildlife and/or may fulfill a portion of Valley Water's responsibilities to the Santa Clara Valley Habitat Plan, and addresses climate change such as habitat fragmentation and biodiversity loss by conserving and restoring habitat land;

WHEREAS, POST seeks to conserve habitat lands by acquiring the Property; which substantially meets the funding criteria;

NOW THEREFORE, for good and valuable consideration, which the Parties acknowledge is sufficient, the Parties agree as follows:

SECTION 1. RECITALS

The recitals set forth above are incorporated herein.

SECTION 2. PROJECT FUNDING

2.1 Valley Water shall provide to the POST Safe, Clean Water and Natural Flood Protection Program's Project D7 funds of up to \$3,950,000 (Grant Funds), upon and subject to the terms and conditions of this Agreement towards the acquisition of fee simple interest in the Property, which comprises approximately 2184.41 acres of land known as a portion of Sargent Ranch at APNs 810-37-005, 810-37-007, 810-38-002, 810-38-017, 810-83-014, and 810-83-015 and is more particularly described in the legal description attached hereto as Exhibit A.

2.2 The Grant Funds shall be used only for the purpose of POST's acquisition of fee simple title of the Property. Exhibit A provides a description of how the Property meets Valley Water's funding criteria for the allocation of Safe, Clean Water and Natural Flood Protection Program's Project D7 funds.

2.3 POST covenants and agrees that if Valley Water disburses the Grant Funds to POST, the Property shall be held and used for the conservation of habitat lands as well as protection of cultural resources and land for tribal activities, stewardship, education and related facilities.

SECTION 3. EFFECTIVE DATE AND TERM OF AGREEMENT

The term of this Agreement shall begin on the date it is fully executed and shall end on July 30, 2030 subject to the provisions of Section 12 herein.

SECTION 4. CONDITIONS OF GRANT

Valley Water's obligation to disburse Grant Funds under this Agreement is conditioned upon and subject to the satisfaction of all of the following conditions precedent:

4.1. POST shall acquire the Property from a willing seller for a purchase price that does not exceed ten percent (10%) above the fair market value of the Property, as established by an appraisal that is conducted by an appraiser who is duly licensed California's Business and Professions Code. The appraisal shall be prepared pursuant to the Uniform Standards of Professional Appraisal Practice ("USPAP"). The appraisal shall become part of the Project file maintained by Valley Water and shall be retained for no less than three years from the date of value.

4.2. POST shall have secured all acquisition funds beyond those granted under this Agreement that are/were needed for POST to complete the acquisition of the Property in fee title.

4.3. The acquisition of the Property must be fully completed by January 30, 2026, or unspent funds will revert to Valley Water.

4.4 POST shall record or cause to be recorded a Notice of Unrecorded Agreement (the "Notice"), incorporating by reference this Agreement and giving public notice that POST received funds under this Agreement in order to assist POST in acquiring the Property and that, in consideration for the receipt of the Grant Funds, POST has agreed to the terms of this Agreement. The Notice shall be in the form of Exhibit C and shall be recorded after POST has received funds under this Agreement.

SECTION 5. DISBURSEMENT PROCEDURE

5.1. Except as provided in Section 7, upon satisfaction of all of the above Conditions of Grant in Section 4, POST shall request disbursement of the Grant Funds by sending a letter to Valley Water ("Disbursement Request"). The Disbursement Request shall be signed by an authorized representative of POST and shall contain all of the following:

- a. Name and address of POST;
- b. Project Name;
- c. Dollar amount and purpose of disbursement;
- d. Bank account information and wiring instructions to which the Grant Funds will be disbursed.
- e. Documentation that demonstrates to the satisfaction of Valley Water, that POST has satisfied the requirements of Section 4, including but not limited to, the Notice, a conformed copy of the recorded deed(s), with all recording information, as well as a copy of the final closing or settlement statement and the

title insurance policy insuring POST as the owner of fee simple title to the Property.

5.2. After receipt of the Disbursement Request, Valley Water shall verify whether POST has complied with the requirements of Section 4, and following such verification shall disburse the Grant Funds directly into an account designated by POST.

SECTION 6. POST's COVENANTS

In consideration of Valley Water's disbursement of the Grant Funds, POST hereby covenants and agrees as follows:

6.1. The Grant Funds shall be used as purchase money only, which excludes escrow and title fees and any other fees and costs incurred to accomplish the transaction and the conveyance and acquisition of the Property.

6.2. The Property shall be held, used, or transferred only in a manner that is consistent with this Agreement, including the funding criteria for the allocation of Project D7 funds referred to in Recital G above.

6.3. POST shall recognize the cooperative nature of the acquisition and shall provide credit to Valley Water on signs, demonstrations, promotional materials, advertisements, publications, or exhibits prepared or approved by POST referencing the Project. Subject to the mutual agreement of Valley Water and POST regarding text, design, and location, POST shall post sign(s) on the Property to indicate the participation of Valley Water in POST's purchase of the Property; *provided however*, that the sign(s) shall display Valley Water's renewed Safe, Clean Water Program logo, as shown on Exhibit-B.

6.4. The Property (including any portion of it or any interest in it) shall not be sold, transferred, exchanged, or otherwise conveyed without the written approval of Valley Water. Such approval shall not be unreasonably withheld as long as the Property shall continue to be held and used only in a manner consistent with this Agreement, including the funding criteria for the allocation of Project D7 funds referred to in Recital G above, and each successor-in-interest assumes and agrees in writing, in a form acceptable to Valley Water, to be bound by the terms, covenants, and conditions of this Agreement. The Parties acknowledge POST's partnership with the Amah Mutsun Land Trust (AMLT), and POST's intent to transfer the Property to the AMLT. Valley Water will consider any potential future transfer of the Property to the AMLT subject to the AMLT's assumption and agreement to be bound by the terms, covenants, and conditions of this Agreement.

6.5. The Property may not be used as security for any debt without the written approval of Valley Water, which approval shall not be unreasonably withheld.

6.6. POST shall provide to Valley Water copies of documents related to the closing of the above transaction as requested by Valley Water. These documents shall become part of the Project file maintained by Valley Water.

6.7. At the request of Valley Water, not less than once in any period of three calendar years, POST shall allow designated staff of Valley Water to access the Property, accompanied by a POST-designated tribal/cultural resource guide, to assess compliance with the terms, covenants and conditions of this Agreement. These rights are separate and independent of Valley Water's rights to access the Property for purposes of scientific surveys or research as set forth in Section 6.10 below.

6.8. Valley Water shall be notified of events, opening ceremonies, or ribbon cuttings, associated with the acquisition for inclusion and representation by Valley Water. Invitation will include a speaking role for members of Valley Water's Board of Directors.

6.9 Valley Water shall have access to the Property for the purpose of providing scientific surveys or research upon approval by POST, which approval shall not be unreasonably withheld, but will be subject to consultation with the Amah Mutsun Tribal Band to ensure that tribal/cultural resources and uses are not negatively impacted. Valley Water shall provide POST with written notice prior to conducting any surveys or research including the nature of the survey or research, the proposed methods to be used, and a plan for tribal consultation.

SECTION 7. BREACH AND DEFAULT

7.1. In the event of a breach of any of the terms, covenants or conditions of this Agreement, Valley Water shall give written notice to POST describing the breach. Notice shall be addressed to POST at POST's address for notices set forth in this Agreement.

7.2. If POST does not cure the breach within 90 days of the date a notice of breach is given or, if the breach is not curable within said 90-day period, POST does not commence the cure within the 90-day period and diligently pursue it to completion, then POST shall be in default ("Default") under this Agreement.

7.3. POST shall also be in Default under this Agreement upon the discovery that information given to Valley Water by or on behalf of POST under or in connection with obtaining this Agreement was materially false or misleading. Notice of a Default under this Section 7.3 shall be given in accordance with Section 7.1.

SECTION 8. REMEDIES

In the event of a Default under this Agreement, in addition to any and all remedies available at law or in equity, Valley Water may seek specific performance of this Agreement. POST agrees that payment by POST to Valley Water of an amount equal to the Grant Funds disbursed under this Agreement would be inadequate compensation to Valley Water for any Default because the benefit to be derived by Valley Water from full compliance by POST with the terms of this Agreement is the purposes of restoring wildlife habitat and providing open space as well as

protection of cultural resources and land for tribal activities, stewardship, education and related facilities.

SECTION 9. RELATIONSHIP OF PARTIES.

The Parties acknowledge and agree that nothing set forth in this Agreement shall be deemed or construed to render the Parties as joint venturers, partners, agents, a joint enterprise, employer-employee, lender-borrower or contractor of each other. Neither Party shall have any authority to employ any person as employee or agent on behalf of the other for any purpose.

No Party, nor any person using or involved in or participating in any actions or inactions relating to this Agreement, shall be deemed an employee or agent of the other, nor shall any such person or entity represent himself, herself or itself to others as an employee or agent of the other.

SECTION 10. ASSIGNABILITY.

Neither Party shall assign or transfer any interest in this Agreement nor the performance of any obligations hereunder, without the prior written consent of the other Party, and any attempt by either Party to so assign this Agreement or any rights, duties, or obligations arising hereunder shall be void and of no effect.

SECTION 11. NONDISCRIMINATION.

In the performance of the Agreement, POST will comply with all applicable federal, state, local laws and regulations, and will not discriminate on the basis of sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), race, religion, color, national origin (including language use restrictions), ancestry, religious creed (including religious dress and grooming practices), political affiliation, disability (mental and physical, including HIV or AIDS), medical condition (cancer and genetic characteristics), genetic information, marital status, parental status, gender, age (40 and over), pregnancy, military and veteran status, sexual orientation, gender identity and gender expression, the exercise of family and medical care leave, the exercise of pregnancy disability leave, or the request, exercise, or need for reasonable accommodation.

SECTION 12. TERMINATION.

Prior to Valley Water's disbursement of the Grant Funds, either party shall have the right to terminate this Agreement, without cause, by giving not less than thirty calendar (30) days' written notice of termination to the nonterminating Party.

If either Party fails to perform any of its material obligations ("material breach") under this Agreement, in addition to all other remedies provided by law, the Party claiming material breach may terminate this Agreement immediately upon written notice. The thirty-day notice requirement set forth in this section 12 above shall not apply for any such for-cause terminations.

POST's Executive Officer is empowered to terminate this Agreement on behalf of POST. Valley Water's Chief Executive Officer is empowered to terminate this Agreement on behalf of Valley Water.

SECTION 13. AUDIT

POST shall maintain complete and accurate records of its actual Project costs, in accordance with generally accepted accounting principles and practices, and shall retain said records for at least three years after final disbursement by Valley Water. During such time, POST shall make said records available (or cause them to be made available) to the State of California for inspection and audit purposes during normal business hours. Expenditures not documented, and expenditures not allowed under this Agreement or otherwise authorized in writing by Valley Water shall be borne by POST. The audit shall be confined to those matters connected with this Agreement.

SECTION 14. GOVERNING LAW.

This Agreement, and all the rights and duties of the parties arising from or relating in any way to the subject matter of this Agreement and the transactions contemplated by it, shall be governed by, construed and enforced in accordance with the laws of the State of California. Any suit or proceeding relating to this Agreement, including mediation or other alternative dispute resolution proceedings, shall be brought only in Santa Clara County, California. EACH OF THE PARTIES CONSENT TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE COURTS, STATE AND FEDERAL, LOCATED IN SANTA CLARA COUNTY, CALIFORNIA.

SECTION 15. INDEMNIFICATION

POST shall indemnify, protect and hold harmless Valley Water and its directors, officers, agents, and employees (each an "Indemnified Party"), from and against any and all claims, demands, damages, liabilities, losses, costs (including attorneys' fees) and expenses (collectively, "Claims") arising out of, connected with, or incident to this Agreement or the acquisition, ownership, use, management, operation or maintenance of the Property, except that POST shall have no obligation to indemnify or hold harmless an Indemnified Party for Claims caused by the negligent or wrongful act of that Indemnified Party.

SECTION 16. WAIVER.

Valley Water and POST agree that waiver by either party of any breach or violation of any term or condition of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by either Party of the performance of any Agreement terms or conditions, in whole or in part, shall not be deemed to be a waiver of any other term or condition, in whole or in part, of this Agreement.

SECTION 17. NOTICES.

All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be personally served or mailed postage prepaid, or electronically provided, and return receipt requested, addressed to the respective parties as follows:

To POST:

President
Peninsula Open Space Trust
222 High Street
Palo Alto, CA 94301
Email: transactions@openspacetrust.org

To Valley Water:

Santa Clara Valley Water District
Melanie Richardson, P. E., Interim Chief Executive Officer
5750 Almaden Expressway San Jose, CA 95118
MRichardson@valleywater.org

With copy to:

Santa Clara Valley Water District
Lisa Bankosh, Assistant Operating Officer
5750 Almaden Expressway San Jose, CA 95118
LBankosh@valleywater.org

With copy to:

Santa Clara Valley Water District
Clerk of the Board
5750 Almaden Expressway San Jose, CA 95118
clerkoftheboard@valleywater.org

SECTION 18. NO THIRD-PARTY RIGHTS.

The Parties do not intend to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, covenant, obligation, or undertaking established herein. This Agreement shall not be construed as nor deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any right of action herein for any cause whatsoever.

SECTION 19. INTERPRETATION, PRIOR AGREEMENTS AND AMENDMENTS.

This Agreement, including all Exhibits attached hereto, represents the entire understanding of the Parties as to the specific subject matter contained herein. In the event the terms specified in any of the Exhibits attached hereto conflict with any of the terms specified in the body of this Agreement, the terms specified in the body of this Agreement shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. No agreement, amendment, modification, understanding or waiver of or with respect to this Agreement or any term, provision, covenant or condition hereof, nor any approval or consent given under or with respect to this Agreement, shall be effective for any purpose unless agreed to in writing and signed by authorized representatives of both Parties to this Agreement.

SECTION 20. SIGNATURES; COUNTERPARTS.

This Agreement may be executed in several counterparts, and all such counterparts so executed together shall be deemed to constitute one and the same agreement, and each such counterpart shall be deemed to be an original. Facsimile or electronic signatures shall have the same legal effect as original or manual signatures if followed by mailing of a fully executed original to both Parties.

SECTION 21. CONSTRUCTION; NEGOTIATED TERMS.

This Agreement shall not be construed as if it had been prepared by any one of the Parties, but rather as if both Parties have prepared it. Each Party has had the opportunity to be advised by legal counsel and other professionals in connection with this Agreement, and each Party has obtained such advice as each Party deems appropriate. The Parties agree that the terms and conditions of this Agreement are the result of negotiations between the Parties and that this Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or its professionals participated in the preparation of this Agreement.

SECTION 22. PARTIAL INVALIDITY OR ILLEGALITY.

If any provision of this Agreement, or the application of it to any person or circumstances, shall to any extent be invalid, void, or unenforceable, the remainder of this Agreement, or the application of this provision to any person or circumstances other than those as to which it is invalid, void or unenforceable, shall not be affected, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law except where such illegal, invalid, void or unenforceable provision is material to the Agreement in which case this Agreement shall be void.

SECTION 23. CAPTIONS.

The captions in this Agreement are inserted for convenience of reference and in no way define, describe, or limit the scope or intent of this Agreement or any of the provisions hereof.

SECTION 24. AUTHORITY.

Each Party executing the Agreement on behalf of such entity represents that he or she is duly authorized to execute and deliver this Agreement on the entity's behalf.

IN WITNESS WHEREOF, the Parties hereby execute this Agreement.

APPROVED AS TO FORM:

“SANTA CLARA VALLEY WATER DISTRICT”, a special district

E. Ray Ruiz
Assistant District Counsel

By: _____
MELANIE RICHARDSON, P.E.
Interim Chief Executive Officer

“POST”
PENINSULA OPEN SPACE TRUST, a
California non-profit public benefit corporation

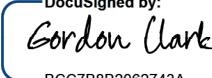
By:  12/22/2025
Gordon Clark
President

EXHIBIT-A

Legal Description of Property:

PARCEL ONE:

Situate in the County of Santa Clara, State of California, and

Being a portion of Parcel One as said parcel is conveyed to DACA SR Pt Loma, LLC by GRANT DEED, recorded January 08, 2016 at 08:27 am in Document 23192117 of Official Records of Santa Clara County, said portion of Parcel One more particularly described as follows:

Lot 4 of the Partition of the Rancho Juristac or La Brea by order of the Superior Court in the County of Santa Clara dated December 3, 1880, allotted to James P. Sargent, Bradley V. Sargent, Roswell C. Sargent, and Jacob L. Sargent, delineated on the Partition Map attached thereto and described as follows, in the Partition Decree recorded December 18, 1880 in Book "I" of Miscellaneous Records, Page 191, Santa Clara County Records, viz:

BEGINNING at a point in the center of the channel of Pescadero Creek upon the Eastern boundary of the Rancho Salsipuedes as patented by the United States, from which point a witness post 4 inches square painted white, marked W.P., standing on the left or East bank of said creek, bears East 44 links, and a live oak tree 2-1/2 feet diameter, marked B.T.J., bears North 24 1/2° East 42 links, and a live oak tree 10 inches diameter, marked B.T.J., bears South 84° East 27 links, this point being the S.W. Comer of Lot No. 1 of this subdivision; thence East 339.44 chains to a post, marked Sin the track of the County Road leading from Gilroy to San Juan on the West boundary of Lot No. 3 of this subdivision, from which a witness post 4 inches square, painted white, bears West 1.10 chains; thence along said road, South 10° 20' West 6.80 chains to a post marked S.C.2; thence South 13° 20' East 3.33 chains to a post marked S.C.1, from which a witness post 4 inches square, painted white, standing at the fence on the East side of said road, bears East 56 links; thence leaving said road and along the South line of said Lot No. 3, East 62.72 chains to a post marked S.C. standing in the willows at the Southeast corner of said Lot No. 3; thence North 15° 50' East 41.74 chains, to post marked J. No. 5. L.A. 3. at a corner of the Rancho Juristac and the Rancho Las Animas as patented by the United States; thence along the boundary of said ranchos, South 63° 15' East 97 chains to the center of the Pajaro River at the Southeast corner of the said Rancho Las Animas; thence down the channel of said river following its meanderings, it being the boundary of the Rancho Juristac as patented by the United States, to the mouth of the Pescadero Creek; thence up the center of the channel of said creek, which is the boundary of the Rancho Jusistac as patented by the United States, to the Southwest corner thereof; thence leaving said creek, North 4.75 chains to a post at the Southwest corner of the Northwest Quarter of Section 1, Township 12 South, Range 3 East; thence West to the East line of the Rancho Salsipuedes as patented; thence along said line, North 27° West to a post marked S on the West or Right bank of the said Pescadero Creek, opposite the Tar Springs and the house formerly occupied by Riley; thence into and up the channel of said Pescadero Creek, which is the Eastern boundary of said Rancho Salsipuedes, to the PLACE OF BEGINNING.

Containing (approximately) 7,233.90 acres, the same being designated on said map as Lot No. 4.

TOGETHER WITH nonexclusive easements appurtenant to portions of said Parcel One for ingress, egress, and access to and from the dominant tenement, as described in the Grants of Easement by CSY Sargent Ranch, L.P. to Fivestar Commerce, Inc. and Sun and Sons Limited Partnership, recorded March 4, 1998 as Instrument No. 14080353 and 14080354, Official Records of Santa Clara County.

EXCEPTING THEREFROM those portions thereof within the area described as a strip of land one hundred feet wide lying equally on each side of the located line of the Pajaro Branch of the Southern Pacific Railroad Company's Railroad, where the same is located through the Juristac Rancho, so called, and running entirely across said Rancho, a distance of 27,977 feet and containing an area of 64.22 acres, more or less, title to which was granted by J.P. Sargent, R.C. Sargent, J.S. Sargent, and B.V. Sargent to the Southern Pacific Railroad Company by deeds dated October 30, 1872 and April 9, 1873, recorded May 28, 1873 and May 10, 1873, respectively, in Book 27 of Deeds, Pages 562 and 565, Santa Clara County records.

ALSO EXCEPTING THEREFROM those portions thereof within the area described as a strip or tract of land one hundred feet wide lying equally on each side of the located line of the Pajaro Branch of the Southern Pacific Railroad Company's Railroad, where the same is located on the northerly side of the Pajaro River, a distance of 1,720 feet and containing an area of 3.94 acres, more or less; also so much land in addition to the foregoing and lying on the northerly side of the same as will include all the slopes and side cuts on the hill sides be the same more or less, title to which was granted by Fernando R. Farman to the Southern Pacific Railroad Company by deed dated December 13, 1872, recorded February 1, 1873 in Book 16 of Deeds, Page 483 and recopied in Book 16 of Deeds, at Page 239 Santa Cruz County records.

ALSO EXCEPTING THEREFROM those portions thereof within the area described as a strip of land 60 feet in width lying equally on each side of the center line of a spur-track as now located having its initial point in the main line of the railroad track of the party of the second part between Sargent's and Chittenden's Stations at Engineer's Station 308+24; running thence in an Easterly direction to the center of the Pajaro River, a total distance across the lands of the party of the first part of 850 feet, more or less, and containing 1.2 acres, more or less, title to which was granted by J.P. Sargent to the Southern Pacific Railroad Company by deed April 30, 1896, recorded May 12, 1896 in Book 191 of Deeds at Page 201, Santa Clara County Records.

ALSO EXCEPTING THEREFROM that certain parcel of land as described in the Indenture, granted by J.P. Sargent Estate Company to the Southern Pacific Railroad Company by deed dated December 12, 1916, recorded January 12, 1917 in Book 451 of Deeds at Page 577, Santa Clara County records.

ALSO EXCEPTING THEREFROM those eight parcels or portions thereof containing (in the aggregate) 21.881 acres, more or less, described in the Grant by Agnes C. Sargent, et al, to Southern Pacific Railroad Company recorded January 13, 1931, in Book 546, Page 489, Official Records of Santa Clara County, and in Book 187, Page 264, Official Records of Santa Cruz

County, upon the terms thereof and subject to the conditions and reservations set forth therein and in the agreement made by and between said parties July 8, 1930, recorded January 13, 1931 in Book 549, Page 249, Official Records of Santa Clara County, and January 20, 1931 in Book 194, Page 59, Official Records of Santa Cruz County.

ALSO EXCEPTING THEREFROM those portions thereof described in the Grants to the State of California for State Highway and/or Freeway purposes, upon the terms thereof and subject to conditions and reservations as set forth therein, recorded January 9, 1941 in Book 1018, Page 321; and August 25, 1954, in Book 2945, Page 644; and in Book 2946, Pages 3 and 11; and October 27, 1969 in Book 8714, Pages 694,698, 702, and 707, Official Records of Santa Clara County.

ALSO EXCEPTING THEREFROM those portions thereof described as Lot 1, Lot 2 and Lot 3 after Lot Line Adjustment in the Certificate of Compliance No. 6133-78-08-97LA, recorded February 12, 1998, Document No. 14052603 and February 17, 1998, as Document No. 14057454, Official Records of Santa Clara County.

IN ADDITION THERETO two of the five parcels of land described as follows in the deed by Southern Pacific Railroad Company to Agnes C. Sargent recorded January 9, 1931 in Book 553, Page 63 Official Records of Santa Clara County, viz:

Parcel "A": BEGINNING at a point which bears South $5^{\circ} 51' 30''$ West a distance of 13,736.2 feet from a concrete monument on the northerly line of the lands of the Sargent Estate distant 3.0 feet Westerly measured along said Northerly line from the Easterly line of the County Highway between Gilroy and Sargent, said point being a point in the Westerly line of the Southern Pacific Railroad Company's Right of Way acquired from J.P. Sargent by deed dated October 30, 1872 and recorded May 10, 1873 in Book 27 of Deeds, Page 562, records of Santa Clara County, distant 50.0 feet Westerly measured at right angles from the point known as Engineer's Station 271+43.3; thence South $7^{\circ} 48' 15''$ West a distance of 146.5 feet to a point; thence on the arc of a curve concave to the left having a radius of 1448.1 feet (tangent to said curve at the last mentioned point bears South $20^{\circ} 02' 55''$ West) an arc distance of 608.9 feet to a point (tangent to last mentioned curve at last mentioned point bears South $4^{\circ} 04' 35''$ East); thence South $8^{\circ} 04' 45''$ West a distance of 146.5 feet to a point in said Westerly Right of Way line; thence along said Westerly Right of Way line North $5^{\circ} 44' 45''$ West a distance of 100 feet to point; thence continuing along said Westerly Right of Way line on the arc of a curve concave to the right having a radius of 1482.5 feet (tangent to said curve at the last mentioned point is the last mentioned course) an arc distance of 710.7 feet to a point; thence continuing along said Westerly Right of Way line tangent to last mentioned curve at the last mentioned point North $21^{\circ} 43' 15''$ East a distance of 100 feet to the POINT OF BEGINNING.

Parcel "B": COMMENCING at said stake where the Easterly boundary line of the Las Aromitas Y Agua Caliente Rancho intersects the center line of the Pajaro River; thence North $34^{\circ} 50' 30''$ West along said Easterly boundary line of said Rancho, a distance of 111.5 feet to a point; thence North $89^{\circ} 45' 30''$ East, a distance of 1342.5 feet to a point; thence South $79^{\circ} 12' 45''$ East a distance of 492.3 feet to a point in the Southerly line of the Southern Pacific Railroad Company's Right of Way as acquired from J.P. Sargent by deed dated October 30, 1872, recorded May 10, 1873, in Book 27 of Deeds, Page 562, records of Santa Clara County, said point being the POINT OF BEGINNING of the parcel of land to be described; thence South $79^{\circ} 12'45''$ East, a distance of 256.2 feet to a point; thence South $70^{\circ} 36'$ East a distance of 450 feet to a point; thence South $68^{\circ} 02'30''$ East a distance of 296.3 feet to a point; thence South $55^{\circ} 37' 30''$ East a distance of 954.2 feet to a point; thence on the arc of a curve concave to the left having a radius of 1482.5 feet (tangent to said curve at the last mentioned point is the last described course) an arc distance of 466.6 feet to a point

in said Southerly line of said Right of Way (tangent to said curve at last mentioned point bears South 73° 39' 30" East); thence along said Southerly line of said Right of Way in a Northwesterly direction on the arc of a curve concave to the right (tangent to said curve at last mentioned point bears South 73° 39' 30" East) having a radius of 2914.8 feet an arc distance of 658.8 feet to a point; thence continuing along said Right of Way line tangent to last mentioned curve at last mentioned point North 60° 42' 30" West a distance of 850 feet to a point; thence continuing along said Right of Way line on the arc of a curve concave to the left having a radius of 5679.6 feet (tangent to said curve at the last mentioned point is the last described course) an arc distance of 793.0 feet to a point; thence continuing along said Right of Way line tangent to last mentioned curve at the last mentioned point North 68° 42' 30" West a distance of 101.3 feet to the POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM all lands lying westerly of the line between Range 3 East and Range 4 East, Mount Diablo Meridian, said Range Line also being the common boundary line of Santa Cruz County and Santa Clara County, as exists in 2025.

ALSO EXCEPTING THEREFROM all of Section 6, Township 12 South, Range 4 East, Mount Diablo Meridian, lying North of Lot No. 45, lying within the Juristac Rancho in Township 12 South, Range 4 East, Mount Diablo Meridian, as patented on November 13, 1871.

ALSO EXCEPTING THEREFROM all of Section 30, Township 11 South, Range 4 East, Mount Diablo Meridian, lying Southerly of the Northerly line of said Lot 4.

ALSO EXCEPTING THEREFROM all of Section 31, Township 11 South, Range 4 East, Mount Diablo Meridian.

ALSO EXCEPTING THEREFROM the West 1/2 of the West 1/2 of Section 32, Township 11 South, Range 4 East, Mount Diablo Meridian.

PARCEL TWO:

BEING all of the North 1/2 of Section 36, Township 11 South, Range 3 East, Mount Diablo Meridian.

END OF DESCRIPTION

Summary of how Property meets Valley Water's funding criteria for the allocation of Safe, Clean Water and Natural Flood Protection Program Project D7 funds:

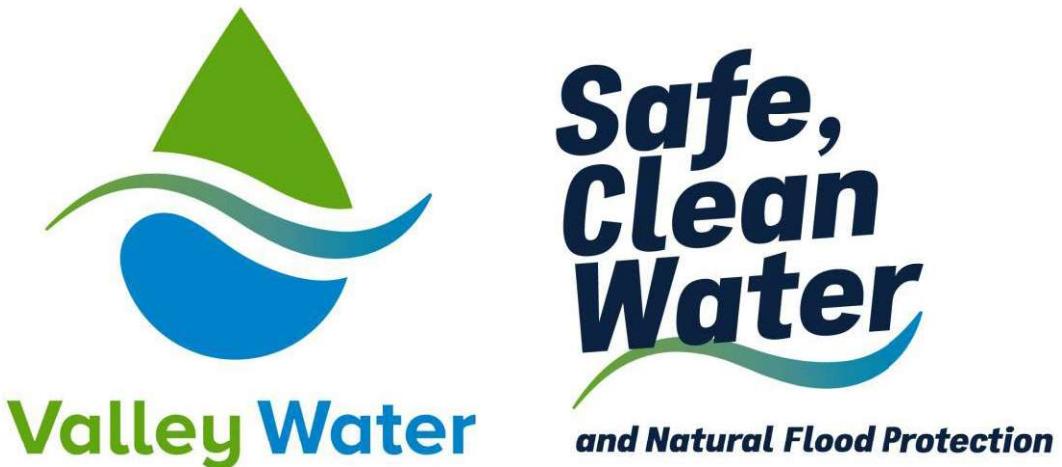
This Agreement will support the second phase of the Sargent Ranch acquisition, encompassing approximately 2,184.41 acres, including the area intended for development as a sand and gravel mine. This acquisition is part of a larger effort, already initiated by POST, to acquire and protect a total of ± 6,764 acres within the *Juristac Tribal Cultural Landscape* and the Southern Santa Cruz Mountains-Gabilan Mountains wildlife linkage area.

The second phase acquisition (2,184.41 acres) supports the protection of the entire Sargent Ranch property, over 5,200 acres of important wildlife habitat, allowing for the permanent protection and enhancement of local ecosystems and watercourses and their ecological functions within Santa Clara County and the Upper Pajaro River watershed. Once all of Sargent Ranch is protected, the property will connect existing protected lands, creating a contiguous block of 9,500 acres within a landscape that otherwise is held in private ownership and vulnerable to development. The conservation of open space lands in this region at this scale will meaningfully reduce the risks of habitat fragmentation and biodiversity loss, advance regional efforts to conserve and recover special-status species such as the South-Central Coast steelhead and contribute to climate resilience in Santa Clara County and the Pajaro River watershed.

EXHIBIT-B

Valley Water Renewed Safe, Clean Water Program Logo:

YOUR TAX DOLLARS AT WORK



Grant Agreement for Funding Acquisition of Real Property (Sargent Ranch)
SCW D7 FY 2026
Valley Water/POST
Version 12/18/25

EXHIBIT-C

**RECORD WITHOUT FEE UNDER CALIFORNIA
GOVERNMENT CODE SECTION 6103**

Recording requested by, and
when recorded, return to:
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose Ca 95118

Space above this line for Recorder's use

APN: 810-37-005, 810-37-007, 810-38-002, 810-38-017, 810-83-014, and 810-83-015

MEMORANDUM OF UNRECORDED AGREEMENT

This Memorandum of Unrecorded Agreement ("Memorandum"), dated as of _____, is recorded to provide notice of an agreement between the Peninsula Open Space Trust (POST), a California Joint Powers Authority, and the Santa Clara Valley Water District, a Special District, created by the California Legislature ("Valley Water").

RECITALS

A. On or about January 27, 2025 POST and Valley Water entered into that certain Agreement (the "Agreement"), pursuant to which Valley Water granted to POST certain funds for the acquisition of real property as described in that certain grant deed recorded on insert recording date, as insert recording file number in the Official Records of Santa Clara County, California (the "Property") The Property covers the area that is more particularly described in the attached Exhibit A incorporated by reference.

B. Under the terms of the Agreement, Valley Water reserved certain rights with respect to the Property.

C. POST is required under the terms of the Agreement to execute this Memorandum to provide constructive notice to all third parties of certain of rights reserved by Valley Water under the Agreement.

NOTICE

1. The Property (including any portion of it or any interest in it) may not be sold or exchanged without the prior written approval of Valley Water, provided that such approval shall not be unreasonably withheld as long as the purposes for which the funds were awarded are maintained.

2. For additional terms and conditions of the Grant, reference should be made to the Agreement which is on file with _____ (name and address).

Peninsula Open Space Trust

NAME

TITLE

Dated: _____

EXHIBIT A (OF MEMORANDUM OF UNRECORDED AGREEMENT)

Legal Description of Property:

[TO BE INSERTED]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA) SS

On this _____ day of _____, in the year _____, before me

, Notary Public personally appeared _____

Name(s) of Signer(s)

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.

Notary Public in and for said County and State

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: _____

Signer's Name: _____

Individual

Corporate Officer—Title(s): _____

Partner: Limited General

Attorney in Fact

Trustee

Guardian or Conservator

Other: _____

Signer Is Representing:



| | | |
|--|----------------------------------|----------------------------------|
| <input type="checkbox"/> Individual | | |
| <input type="checkbox"/> Corporate Officer—Title(s): | <hr/> | |
| <input type="checkbox"/> Partner: | <input type="checkbox"/> Limited | <input type="checkbox"/> General |
| <input type="checkbox"/> Attorney in Fact | | |
| <input type="checkbox"/> Trustee | | |
| <input type="checkbox"/> Guardian or Conservator | | |
| <input type="checkbox"/> Other: _____ | | |
| RIGHT THUMBPRINT OF SIGNER | | |
| Top of thumb here | | |

Signer Is Representing:



Draft Agreement for Funding Acquisition of Real Property (Sargent Ranch)
SCW D7 FY 2026
Valley Water/POST
Version 12/18/25