

Recording Requested By:

Mr. Mike Sweeney, California Chief Operating Officer
The Nature Conservancy
201 Mission Street, 4th Floor
San Francisco, CA 94105

California State Coastal Conservancy
1330 Broadway, 11th Floor
Oakland, CA 94612-2530
Att: Legal Counsel (MG)



20050804-0192257

Pages: 11 Fees: \$37.00
08/04/2005 08:00:00 AM
T20050066299 LR
Ventura County Recorder
Philip J. Schmit

When Recorded, Mail To:

Mr. Jonathan S. Bishop, Executive Officer
California Regional Water Quality Control Board-
Los Angeles Region
320st 4th Street, Suite 200
321 Los Angeles, California 90013-2343

COVENANT AND ENVIRONMENTAL RESTRICTION
ON PROPERTY

*Real Property consisting of approximately 277 acres located
at Ormond Beach in the City of Oxnard, Ventura County*

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CALIFORNIA REGIONAL WATER
QUALITY CONTROL BOARD
LOS ANGELES REGION

This Covenant and Environmental Restriction on Property (this "Covenant") is made as of the 26th day of July, 2005 by The Nature Conservancy, a District of Columbia nonprofit corporation ("TNC") and the California State Coastal Conservancy, an agency of the State of California ("SCC") (TNC and SCC are collectively referred to herein as the "Covenantor") who are, respectively, the Owner (as defined below) of record of, and holder of certain rights and executory interests in, that certain real property consisting of approximately 277 acres located at Ormond Beach in the City of Oxnard, Ventura County, which is more particularly described in Exhibit A attached hereto and incorporated herein by this reference (hereinafter referred to as the "Property"), for the benefit of the Board (as defined below), with reference to the following facts:

A. Hazardous Materials. Environmental site assessments have detected contamination on the Property, including metals, pesticides, PCBs, VOCs, and SVOCs, which constitute hazardous materials as that term is defined in Section 25260 of the Health and Safety Code.

B. Past Uses of the Property. Past uses of the Property have included agriculture, disposal of dredged spoils, and paint storage.

C. Adjacent Land Use and Population Potentially Affected. At present a portion of the Property is being farmed, and several industrial facilities are located in the vicinity.

Immediately adjacent to the Property is a site that has been used for waste disposal and for secondary production of aluminum and magnesium and which site is the subject of waste discharge requirements and various orders issued by the Board with reference to identified wastes generated on the adjacent site, including some that have impacted the Property.

D. Proposed Redevelopment. The Property will be used for purposes of open space and wildlife habitat preservation, potential wetlands restoration, and appropriate public access (including related facilities) consistent with the preservation and restoration of the Property. Under terms of the SCC grant to TNC, and pursuant to SCC's enabling legislation, Division 21 of the Public Resources Code, the Property will be permanently dedicated to these intended uses.

E. Mutual Release and Covenant Not to Sue. On April 7, 2005 the Board adopted Resolution No. 05-005 (the "**Resolution**"), authorizing its Executive Officer to enter into a Mutual Release and Covenant Not to Sue with TNC and SCC for the Property which requires, among other things, that as a condition of the Mutual Release, a deed restriction be recorded that prescribes limitations on future development of the Property. The Mutual Release has been executed and this Covenant is being executed and recorded pursuant to the Resolution.

ARTICLE I GENERAL PROVISIONS

1.1 Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The restrictions set forth in Article III are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence on the Property of hazardous materials. Each and all of the Restrictions shall run with the land, and pass with each and every portion of the Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest thereof, for the benefit of the Board and all Owners and Occupants. Each and all of the Restrictions are imposed upon the entire Property unless expressly stated as applicable to a specific portion of the Property. Each and all of the Restrictions run with the land pursuant to section 1471 of the Civil Code. Each and all of the Restrictions are enforceable by the Board.

1.2 Concurrence of Owners and Lessees Presumed. All purchasers, lessees, or possessors of any portion of the Property shall be deemed by their purchase, leasing, or possession of such Property, to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees of such owners, heirs, successors, and assignees, that the Restrictions as herein established must be adhered to for the benefit of the Board and the Owners and Occupants of the Property and that the interest of the Owners and Occupants of the Property shall be subject to the Restrictions contained herein.

1.3 Incorporation into Deeds and Leases. Covenantor desires and covenants that the Restrictions set out herein shall be incorporated in and attached to each and all deeds and leases of any portion of the Property. Recordation of this Covenant shall be deemed binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant and Agreement has been attached to or incorporated into any given deed or lease.

1.4 Purpose. It is the purpose of this instrument to convey to the Board real property rights, which will run with the land, to facilitate the remediation of past environmental contamination and to protect human health and the environment by reducing the risk of exposure to residual hazardous materials.

ARTICLE II DEFINITIONS

2.1 Board. "Board" shall mean the California Regional Water Quality Control Board for the Los Angeles Region and shall include its successor agencies, if any.

2.2 Occupants. "Occupants" shall mean owners and those persons entitled by ownership, leasehold, or other legal relationship to the exclusive right to use and/or occupy all or any portion of the Property.

2.3 Owner or Owners. "Owner" or "Owners" shall mean the Covenantor or, upon Covenantor's conveyance of the Property, the successors in interest to Covenantor who hold title to all or any portion of the Property.

ARTICLE III DEVELOPMENT, USE AND CONVEYANCE OF THE PROPERTY

3.1 Restrictions on Development and Use. Covenantor promises to restrict the use of the Property as follows:

a. There shall be no development of the Property except for the purpose of open space and wildlife habitat preservation, potential wetlands restoration, and appropriate public access (including related facilities) consistent with the preservation and restoration of the Property. Continuance of the existing agricultural operation is acknowledged as consistent with preservation of the Property;

b. No Owners or Occupants of the Property or any portion thereof shall conduct any wetland restoration or public access development activities without Board oversight. Any contaminated soils brought to the surface by grading, excavation, trenching, backfilling, preservation or restoration activity shall be managed by Covenantor or any Owner-successor to Covenantor in accordance with all applicable provisions of local, state and federal law;

c. No Owners or Occupants of the Property or any portion thereof shall drill, bore, otherwise construct, or use a well for the purpose of extracting water for any use, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Board; provided however, the Board hereby consents to the continued agricultural use of a well on the Property in the approximate location shown on the map attached hereto as Exhibit B and incorporated herein by this reference, which well is currently used by Oceanview Produce Company, a California corporation ("Oceanview") for Oceanview's agricultural operation. The well shall not be used to provide drinking water. If such well becomes inoperable, Owners and/or Occupants of the Property have the right to repair and/or to replace the well;

d. The Covenantor, and all Owner-successors to the Covenantor, agree that the Board, and/or any persons acting pursuant to Board orders, shall have reasonable access to the Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code;

e. All Owners or Occupants of the Property shall exercise due care with respect to the existing contamination of the Property.

3.2 Enforcement. Failure of an Owner or Occupant to comply with any of the restrictions, as set forth in paragraph 3.1, shall be grounds for the Board, by reason of this Covenant, to have the authority to require that the Owner modify or remove any development constructed in violation of that paragraph. Violation of the Covenant shall be grounds for the Board to file civil actions against the Owner as provided by law.

3.3 Notice in Agreements. After the date of recordation hereof, all Owners and Occupants shall execute a written instrument which shall accompany all purchase agreements or leases relating to the Property. Any such instrument shall contain the following statement:

The land described herein contains hazardous materials in soils and in the groundwater under the property, and is subject to a Covenant and Environmental Restriction dated as of _____, 2005, and recorded on AUG - 04, 2005, in the Official Records of Ventura County, California, as Document No. 2005-0192258 which Covenant and Environmental Restriction on Property imposes certain covenants, conditions, and restrictions on usage of the property described herein. This statement is not a declaration that a hazard exists.

ARTICLE IV VARIANCE AND TERMINATION

4.1 Variance. Any Owner or, with the Owner's consent, any Occupant of the Property or any portion thereof may apply to the Board for a written variance from the provisions of this Covenant.

4.2 Termination. Any Owner or, with the Owner's consent, any Occupant of the Property or a portion thereof may apply to the Board for a termination of the Restrictions contained in this Covenant as such restrictions apply to all or any portion of the Property.

4.3 Term. Unless terminated in accordance with paragraph 4.2 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V MISCELLANEOUS

5.1 No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Property or any portion thereof to the general public.

5.2 Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (1) when delivered, if personally delivered to the person being served or official of a government agency being served, (2) the next business day after being deposited with the delivery service as long as the next business day service is requested by the sender, if mailed by Federal Express or other reputable overnight delivery service, or (3) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

If To: "Covenantor"
The Nature Conservancy
201 Mission Street, 4th Floor
San Francisco, CA 94105
Attn: Legal Department

Mr. Samuel Schuchat, Executive Officer
California State Coastal Conservancy
1330 Broadway, 11th Floor
Oakland, CA 94612-2530

If To: "Board"
Regional Water Quality Control Board
Los Angeles Region
Attention: Executive Officer
320 West 4th Street, Suite 200
Los Angeles, CA 90013-2343

5.3 Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

5.4 Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

5.5 Recordation. This instrument shall be executed by the Covenantor and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of Ventura within ten (10) days of the date upon which TNC take title to the Property (or each portion thereof, with respect to that portion).

5.6 References. All references to Code sections include successor provisions.

5.7 Construction. Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed in favor of the Covenant to effect the purpose of this instrument and the policy and purpose of the Water Code. If any provision of this instrument is found to be ambiguous, an interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

Covenantor: The Nature Conservancy and California State Coastal Conservancy.

The Nature Conservancy:

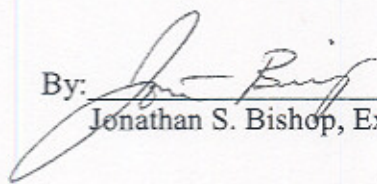
See pages following for The Nature Conservancy's signature and notarization.

By: _____ Date _____

State Coastal Conservancy:

By:  _____ Date 7/26/05
Steve Horn, Deputy Executive Officer

Agency: California Regional Water Quality Control Board for the Los Angeles Region

By:  _____ Date 7/20/05
Jonathan S. Bishop, Executive Officer

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

Covenantor: The Nature Conservancy and California State Coastal Conservancy.

TNC:

By: Mr. Mike Sweeney

Title: California Chief Operating Officer

Date: 7/26/05

SCC:

By: Mr. Samuel Schuchat

Title: Executive Officer

Date: _____

Agency:

State of California
Regional Water Quality Board,
Los Angeles Region

By: _____

Title: Executive Officer

Date: _____

State of California)
County of San Francisco)

On July 26, 2005, before me, Kevin P. Jewell
personally appeared Mike Sweeney, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Kevin P. Jewell
Notary Public



Attention Notary: The information requested below is optional, but could prevent fraudulent attachment of this certificate to unauthorized documents.

Signer purports to represent:
The Nature Conservancy

Capacity Claimed by Signer:
Chief Operating Officer -- California

Certificate must be attached to document described below:

Title or Type of Document:
Covenant and Environmental Restriction on Property

Date Signed: July 26, 2005
of pages: 6, plus notarizations and exhibits

Other parties whose signature(s) is/are not notarized here:
California State Coastal Conservancy
Regional Water Quality Control Board

STATE OF CALIFORNIA) Acknowledgment as to Covenantor
)
COUNTY OF _____)

On _____, 20__ before me, _____,
[insert date] [insert name and title of officer]

the undersigned personally appeared _____,
[insert Covenantor's or Covenantor's agent's name]

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

WITNESS my hand and official seal.

Notary Public in and for said
County and State

STATE OF CALIFORNIA) Acknowledgment as to Covenantor
)
COUNTY OF Alameda)

On July 26th, 2005 before me, HONG LE TRUONG, Notary Public,
[insert date] [insert name and title of officer]

the undersigned personally appeared STEVE HORN,
[insert Covenantor's or Covenantor's agent's name]

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

WITNESS my hand and official seal.

HongLeTruong

Notary Public in and for said
County and State



STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles)

Acknowledgment as to California Regional Water
Quality Control Board for the Los Angeles Region

On July 20, 2005 before me, C. Gomez, NOTARY PUBLIC,
[insert date] [insert name and title of officer]

the undersigned personally appeared JONATHAN S. BISHOP, personally known to me
or proved to me on the basis of satisfactory evidence to be the person whose name is
subscribed to the within instrument and acknowledged to me that he executed the same in
his authorized capacity as Executive Officer, and that by his signature on the instrument
the California Regional Water Quality Control Board for the Los Angeles Region
executed the instrument.

WITNESS my hand and official seal.

C. Gomez

Notary Public in and for said
County and State



EXHIBIT A

Legal Description of Ormond Beach Property

PARCEL 1 (MWD/CDC Property)

That certain parcel of land in the City of Oxnard, County of Ventura, State of California, as conveyed to the Metropolitan Water District of Southern California and Oxnard Community Development Commission by grant deed recorded August 4, 1998 as Document No. 98-129325 of Official Records in the Office of the County Recorder of said County.

EXCEPTING THEREFROM Parcel 1 of Lot Line Adjustment 04-310-7, in the City of Oxnard, County of Ventura, State of California, recorded November 16, 2004 as Document No. 20041116-0306859 of Official Records, in the Office of the County Recorder of said County.

ALSO EXCEPTING THEREFROM Parcel C3 as conveyed to the Metropolitan Water District of Southern California and Oxnard Community Development Commission by grant deed recorded August 4, 1998 as Document No. 98-129325 of Official Records in the Office of the County Recorder of said County.

PARCEL 2 (Gordon Property)

A portion of Lot 8 of Subdivision 84 of the Rancho El Rio de Santa Clara o'la Colonia, in the City of Oxnard, County of Ventura, State of California, as per Map recorded in Book 3, page 14 of Maps, in the office of the County Recorder of said County.

Beginning at the intersection of the center line of Perkins Road (abandoned) with the Southeasterly boundary of a parcel known as the Oxnard City Shoestring as described in Parcel 13 in a deed recorded in Book 787, page 149 of official Records, in the office of the County Recorder of said County; thence,

1st: South 204.34 feet along the said center line of Perkins Road (abandoned); thence

2nd: South 43 degrees 01 minute 30 seconds West 142.58 feet to a point in the center line of a 100 foot right of way described as Parcel "C" of 577/207; thence

3rd: Northwesterly along said center line to the intersection with the Southeasterly boundary of said Oxnard Shoestring; thence

4th: North 43 degrees 37 minutes East along said Southeasterly boundary to the point of beginning.