

APPENDIX H- Fee Acquisition Grant Agreement

[Grant agreement starts on next page]

State of California - Department of Conservation GRANT AGREEMENT DOC6 (revised 12/18)	GRANT AGREEMENT NUMBER: FISCAL NUMBER:
1. This Grant Agreement is entered into by and between the Department of Conservation ("Department") and ("Grantee").	
2. The Grant Agreement Term is: From _____ through _____ (Or upon execution of this Grant Agreement by both parties, whichever is later)	
3. The maximum amount of this Grant Agreement is: \$ _____	
4. Signing this Grant Agreement means that Grantee agrees to comply with the terms and conditions of the following exhibits which are part of the Grant Agreement:	
Exhibit A, Scope of Work	Page(s)
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Attachment 3: Final Report	Page(s)
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Exhibit C, General Terms and Conditions	Page(s)
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Exhibit E, Award Letter	Page(s)
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Exhibit G, Fee Acquisition and Grantee's Covenants and Declarations of Restrictions	Page(s)
Exhibit H, Form of Notice of Unrecorded Grant Agreement	Page(s)
Exhibit I, Form of Irrevocable Offer to Convey Title in Fee and Declarations of Restrictive Covenants	Page(s)
Exhibit J, Conservation Easement Template	Page(s)
IN WITNESS WHEREOF, this Grant Agreement has been executed by the Parties hereto.	
GRANTEE	
GRANTEE'S NAME	
BY (Authorized Signature) 	DATE SIGNED
PRINTED NAME AND TITLE OF PERSON SIGNING	
ADDRESS	
STATE OF CALIFORNIA	
Agency Name: Department of Conservation	

BY (<i>Authorized Signature</i>) 	DATE SIGNED
PRINTED NAME AND TITLE OF PERSON SIGNING	
ADDRESS 715 P Street, Sacramento, CA 95814	

Exhibit A, Scope of Work

1. Grant Program Background

The Sustainable Agricultural Lands Conservation Program (SALC), a component of the Strategic Growth Council's (Council) Affordable Housing and Sustainable Communities (AHSC) Program, supports California's greenhouse gas (GHG) emission reduction goals by making strategic investments to protect agricultural lands from conversion to more GHG intensive uses. Protecting critical agricultural lands from conversion to urban or rural residential development promotes smart growth within existing jurisdictions, ensures open space remains available, and supports a healthy agricultural economy and resulting food security. A healthy and resilient agricultural sector is becoming increasingly important in meeting the challenges occurring and anticipated as a result of climate change. All projects funded by GGRF monies must reduce or avoid greenhouse gas emissions.

The principal goal of SALC is to further the purposes of AB 32 by supporting infill development and avoiding increases in the greenhouse gas emissions associated with the conversion of California's irreplaceable agricultural land and resources to nonagricultural uses, particularly low-density residential development. The SALC efforts to protect agricultural lands complement the AHSC efforts to promote infill development. In this way, AHSC and SALC work together to reduce GHGs in the aggregate over time.

The Council identified the California Department of Conservation (Department) in conjunction with the Natural Resources Agency (Agency) to administer SALC. The Strategic Growth Council approved the roles of the Department and the Agency at its July 10, 2014 meeting. In addition, SALC has been developed in consultation with the California Department of Food and Agriculture.

2. The Project is Defined by the Application and Award Letter

The Strategic Growth Council approved the Sustainable Agricultural Lands Conservation Program Grant Guidelines & Applications on February 25, 2020 (Exhibit F) (Guidelines). In accordance with the Guidelines, Grantee submitted application [DOC Application Number] for an agricultural conservation acquisition grant on approximately ±[number of acres] of privately-owned real property known as the [Property Common Name] located in/near [City/CDP] in the County of [County]. The [Property Common Name] is shown on the Project Map (Attachment 1). The agricultural conservation acquisition will be referred to as the "Project" throughout this Grant Agreement.

The Council awarded Grantee a grant for the Project at its [insert date] meeting subject to any conditions contained in the Award Letter Award Letter (Exhibit E).

The Project includes any conditions in the Award Letter. The Department and Grantee enter into this Grant Agreement to provide the not to exceed funding identified in this Grant Agreement and set forth the terms and conditions upon which the grant will be administered.

3. Authorized Signers

The Department Director or designee is authorized to sign this Grant Agreement and grant-related documents on behalf of the Department.

Grantee's Authorized Signatory or designee is authorized to sign this Grant Agreement and grant-related documents as shown in the Authorized Signatory Form (Attachment 2).

Grantee must keep Authorized Signatory Forms up to date. Within seven (7) working days of any change to the authorized signatory or to the delegated authorized signatory, Grantee shall notify the Department in writing of the change. The written notice shall be sent as an electronic mail (email) attachment to be filed with the Grant Agreement.

4. Project Representatives

The project representatives are the contact people for the Department and Grantee. The project representatives during the term of this Grant Agreement are:

Department

Name:

Title: Grant Manager*

Phone Number:

Email:

* Unless otherwise stated within this Grant Agreement, all correspondence and documents to the Department of Conservation will be sent to the Grant Manager as described in Document Submission (Exhibit A, Section 6).

Grantee

Name:

Title:

Phone Number:

Email:

Name:

Title:

Phone Number:

Email:

Department and Grantee must keep the Project Representative(s) up to date. Any changes to the Project Representatives by either Grantee or Department shall be made by providing seven (7) working days advance written notice to the other party. The written notice shall be sent as an electronic mail (email) attachment to be filed with the Grant Agreement.

5. Grantee Responsibilities

Grantee is responsible for:

- A. Using grant funds only as intended for the Project.
- B. Performing all tasks necessary to complete the acquisition, in accordance with the Budget, Guidelines, Application, and Award Letter. Grantee must obtain the Departments approve of the acquisition deed, include the terms and all exhibits. The Department may reject any changes to the deed after it has approved the deed.
- C. Submitting invoices for reimbursement using the Acquisition Invoice template (Attachment 6) or the Associated Costs Invoice template (Attachment 7), as appropriate, including any supporting documents.
- D. Submitting a final report with the last invoice, using the Final Report template (Attachment 3).
- E. Complying with all terms and conditions of this Grant Agreement, including all incorporated documents.
- F. Complying with statutes, rules, and regulations applicable to this Grant Agreement.
- G. Maintaining an accounting system that accurately reflects all fiscal transactions and provides accounting information, retaining all records and required documents as specified in Exhibit C, Section 4, and providing all required documents during an audit, as specified in Exhibit C, Section 5.

6. Document Submission

A. Electronic Mail

When this Grant Agreement requires Grantee to give invoices, reports, or other documents to the Department, Grantee must use email unless this Grant Agreement specifically requires that the document be sent by mail. All email must contain the Grant Agreement number and Grantee's name in the subject line.

B. Correspondence

Correspondence and documents must be submitted via email: [Grant Manager Email]

7. Reporting Requirements

- A. All reports must be submitted to Grant Manager on the required due date. Reports are not deemed received until the Grant Manager confirms receipt of the report.
- B. All reports must be signed by the Authorized Signatory or designee on file with the Department as stated in Authorized Signatories.
- C. Reports that do not meet the reporting requirements set forth in this Grant Agreement may result in a delay in release of funds.
- D. Grantee is required to report the employment outcomes for projects if the total grant award is \$1 million or more in accordance with the Guideline (Exhibit F).
- E. If the Project falls substantially behind the implementation schedule agreed to between it and the Department, the Department may require Grantee to submit quarterly Progress Reports for the remainder of the Grant Term, unless or until this requirement is deemed to be no longer necessary by the Department. The initial Progress Report must explain why the project is behind schedule, provide an updated implementation schedule to address the delay, and describe the steps being taken to ensure that the project is continuing to move towards completion within the Grant Term. Subsequent Progress Reports shall detail the Grantee's progress toward completing the acquisition in a timely matter.
- F. A Final Report shall be submitted with the final Associated Costs invoice utilizing the Final Report template (Attachment 3). If a grantee is not requesting reimbursement for Associated Costs, the Final Report must be submitted within 30 days of close of escrow.

8. Accounting of Stewardship Funds

Grantee certifies that the stewardship fund holder uses accepted accounting practices as promulgated by either the Financial Accounting Standards Board or any successor entity for nonprofit organizations, of the Governmental Accounting Standards Board or any successor entity for public agencies, to the extent those practices do not conflict with any requirement for special districts in statute for local governmental financial affairs.

Attachment 1: Project Map

Attachment 2: Authorized Signatory Form
Authorized Signatory Form

I hereby verify that I am an authorized Grantee representative and signatory and, as such, can sign and/or delegate authorization to sign and bind Grantee as it relates to the above-referenced Grant Agreement and grant related documents.

Grantee Authorized Signatory:

Name:

Title:

Signature:

Date:

Delegated Authorized Signatories:

1. **Name:**

Title:

Signature:

Date:

Document(s) Authorized to sign: All Grant Related Documents **or** Grant Agreement Grant Amendments Budget Amendments Reports Invoices Other _____

2. **Name:**

Title:

Signature:

Date:

Document(s) Authorized to sign: All Grant Related Documents **or** Grant Agreement Grant Amendments Budget Amendments Reports Invoices Other _____

Attachment 3: Final Report
Agricultural Conservation Acquisition Final Report

Grantee Name

Project Title

Grant Number

Final closing date of the project

Please include copies of news articles and any other media coverage, as well as any promotional and educational materials produced as a result of this grant agreement that have not already been submitted. A request for final payment should be submitted in conjunction with, but not as a portion of, the final report.

1. Give a brief summary the organization, the objectives of the project, and how these objectives were accomplished.
2. State the amount awarded and how the funds were used.
3. Describe any problems and/or concerns that may have arisen during the course of this project and the corrective actions that were taken.
4. List any findings, conclusions, or recommendations for follow-up or ongoing activities that might result from the successful completion of the project.
5. Present a summary of project successes.
6. Please offer any feedback or suggestions for improvement that may assist future administration of grant funds by the Department.

I certify that this Final Report is accurate and that this project complies with the Agreement. I further certify that any expenditure discussed in this report is allowed under the Agreement and that all funds were expended for the purposes of this Project.

Agreement and that all funds were expended for the purposes of this Project.

Name:

Title:

Signature:

Date:

Attachment 4: Conditions of Funding Disbursal

Conservation Acquisition Cost(s). The Department will disburse the funds for the Conservation Acquisition Cost(s) to the escrow account established with a title insurance company licensed by the California Department of Real Estate, for purchase of the [agricultural conservation easement(s)/fee title] funded through this grant only when the following conditions have been met:

- A.** California Department of General Services has approved the appraisal:
 - i. Grantee has provided the Department with an electronic copy and one hard copy of the appraisal; and,
 - ii. The appraisal complies with the Department's Overview and Preparation of Agricultural Conservation Easement Appraisals and DGS's Appraisal Specifications, as determined by the Department.

- B.** Department has approved or has incorporated Department approval of the following into the joint escrow instructions as conditions of closing:
 - i. Final draft deed including all exhibits/attachments and any title exceptions that the deed will be subject to;
 - ii. Pro forma title policy;
 - iii. Any subordination agreements and documents needed to resolve title-related issues identified by the Department or Grantee;
 - iv. Final draft Baseline Documentation Report;
 - v. Estimated escrow closing statement;
 - vi. Joint escrow instructions that, at a minimum, require the following as conditions prior to either disbursing escrow funds or closing escrow, depending on the task:
 - a. Subordination or release of all senior liens or financial encumbrances on the property;
 - b. Escrow officer's signature acknowledging receipt of the instructions and agreeance to act in accordance therewith;
 - c. Recordation of the agricultural conservation easement(s) immediately upon close of escrow;
 - d. Issuance of a title insurance policy, naming the Council as an additional insured for the full amount of the appraised value of the acquisition, with no exceptions to title other than those identified in the Proforma approved by the Department;

- e. Provision that the escrow officer provide a copy of the recorded deed, final title policy, recorded subordination documents, final escrow closing statement, and any other items that the Department may require to the Department within 30 days of closing; and,
 - f. Provision that, should the [easement/fee title] not be conveyed to the grantee, all SALC Program funds will be returned to the Department.
- C.** Grantee has authorized the responsible title and/or escrow officer to communicate with the Department regarding the escrow associated with the agricultural conservation acquisition transaction.

Exhibit B, Budget Detail and Payment Provisions

1. Payment

- A. Upon notification by the Department that the conditions set forth in the "Conservation Acquisition Costs" of the Conditions of Funding Disbursal attachment (Attachment 4) have been satisfied, the Grantee shall submit an invoice for the Conservation Acquisition Cost to the Department using the Department's acquisition invoice template (Attachment 6).
- B. To receive payments of grant funds, Grantee must submit an invoice.
- C. Upon receipt and approval of an itemized invoice and required supporting documentation, the Department agrees to reimburse Grantee for actual expenditures for work completed, in accordance with the rates specified in the Budget Detail Worksheet (Attachment 5).
- D. The Department may withhold final payment until all terms of the Grant Agreement have been satisfied.
- E. Payment shall be made within forty-five (45) days upon receipt and approval of an invoice. Failure to comply with requirements may result in non-payment or delayed payment.
- F. For cost principles, see Exhibit B, Section 5.
- G. Funds contributed toward the acquisition purchase price will be deposited into an escrow account established with a title insurance company licensed by the California Bureau of Real Estate for disbursement upon completion of all requirements outlined in the Scope of Work. Except in the case of a bargain sale, match funds being used to complete the easement/fee purchase must be deposited into the escrow account before the purchase may be completed. At close of escrow, the title insurance company must be able to insure title to the interest being recorded.

2. How to Submit Invoices

- A. Send the invoices to the Grant Manager by email. Include the Grant Agreement number and Grantee's name in the subject line. Invoices may not be submitted within the first 60 days of the Grant Agreement effective date.
- B. Grantee may not submit an acquisition invoice unless all the Conditions of Funding Disbursal identified in the Guidelines (Exhibit F) are satisfied.
- C. Send associated costs invoices regularly. Grantee shall submit invoices no more frequently than monthly, in arrears, to the Grant Manager.
- D. A request for payment shall consist of:
 - i. Either the Acquisition Invoice (Attachment 6) or Associated Costs Invoice (Attachment 7) on official letterhead and signed by the Authorized Signatory, or authorized designee on file with the

Department (Exhibit A, Section 3), certifying the expenditures are for actual expenses for the tasks performed under this Grant Agreement.

ii. Supporting documentation for reimbursement of associated costs. Copies of the final escrow closing statement, proof of purchase receipts, sufficiently detailed subcontractor's invoices, activity logs, timesheets, or canceled check must be submitted for each item requested to be reimbursed. These items must contain sufficient information to establish that the specific service was rendered, or purchase was made. Original supporting documentation is not required and should be retained by the Grantee

- E. Supporting documentation (e.g., timesheets, activity logs, cancelled checks) for matching funds does not need to be submitted to the Department but should be retained by Grantee in the event of an audit (Exhibit C, Section 5).
- F. At any time, the Department may request hard copies of invoices, reports, supporting documentation, and evidence of progress.

3. Invoice Dispute

In the event of an invoice dispute, see Exhibit D, Section 5.

4. Budget Contingency Clause

- A. If the Budget Act of the current year and/or any subsequent years covered under this Grant Agreement does not appropriate sufficient funds for the program, this Grant Agreement shall have no further force nor effect. In this event, the Department shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Grant Agreement, and Grantee shall not be obligated to perform any provisions of this Grant Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the Department shall have the option to either cancel this Grant Agreement with no liability occurring to the Department or offer an amendment to reflect the reduced amount.

5. Cost Principles

- A. All costs to be reimbursed must be consistent with the Guidelines (Exhibit F).
- B. All costs to be reimbursed must be reasonable, as defined in the Guidelines (Exhibit F).

6. Travel Reimbursement

Travel may not be reimbursed in accordance with the Guidelines (Exhibit F).

7. Budget Modification

- A. Grantee must keep the Budget Detail Worksheet (Attachment 5) up to date.
- B. Changes between Associated Costs line items, excluding the Management Plan, are allowed by providing written notice with or before submission of an invoice. If submitted before the invoice, the written notice shall be sent as an electronic mail (email) attachment to be filed with the Grant Agreement.
- C. Changes to the Acquisition line item(s) up to five percent (5%) shall be made via a written request to the grant manager before submission of the Acquisition invoice. The written request shall be sent as an electronic mail (email) attachment to be filed with the Grant Agreement. Approval or denial of the change will be made by the Program Manager in consultation with Council staff. The approval or denial shall be filed with the Grant Agreement.
- D. Changes to the Acquisition line item(s) up to fifteen percent (15%) shall be made via a written request to the grant manager before submission of the Acquisition invoice. The written request shall be sent as an electronic mail (email) attachment to be filed with the Grant Agreement. Approval or denial of the change will be made by formal action of the Council.
- E. No other modifications to the budget are allowed. The approval or denial shall be filed with the Grant Agreement.

8. Amendments

- A. This section applies to any changes to this Grant Agreement, excluding the following:
 - i. Changes to the Authorized Signatory Form (Attachment 1). For changes to the Authorized Signatory Form see Exhibit A, Section 3.
 - ii. Changes to project representatives, see Exhibit A, Section 4.
- B. Except as otherwise specified, Grantee must request and obtain prior written approval before any change (amendment) to this Grant Agreement is valid.
- C. Request for amendments must:
 - i. Be prepared, in writing, on official letterhead and signed by the Authorized Signatory or designee on file with the Department.
 - ii. Be submitted to the Grant Manager at least two (2) months prior to when the amendment is needed.

- iii. Include the Grant Agreement number, a detailed explanation of the proposed amendment, reason for the amendment, and the effect of not approving the request.
 - iv. Include a copy of the document(s) requested for amendment that shows the requested changes.
- D. The Grant Manager will respond in writing within fifteen (15) working days from receipt of request to approve or deny the request for amendment, including the reason for the decision.
- E. The Grant Manager will process amendments within thirty (30) days of the approval date. The amendment will not be in effect until both parties have signed the Grant Agreement amendment.

Attachment 5: Budget Detail Worksheet

Attachment 6: Acquisition Invoice

TO: Department of Conservation

Date:

Division of Land Resource Protection

Attn: (grant manager)

[Grant Manager Email Address]

Cc: DLRPInvoices@conservation.ca.gov

Grant No.:

Invoice No.:

=====

Please remit \$_____ to [Title Company] for the purchase of [fee title] or [an agricultural conservation easement] on _____ Farm/Ranch in _____ County.

[Title Company]

[address]

[phone number]

Escrow No.:

Match funding for the acquisition will be provided by the _____ at \$ _____.

Total request in this invoice: \$ _____

Signature of Authorized Signatory

Attachment 7: Associated Costs Invoice Template

TO: Department of Conservation
Division of Land Resource Protection
Attn: (grant manager)
[Grant Manager Email Address]
Cc: DLRPInvoices@conservation.ca.gov

Date:

Grant No:

Invoice No:

For expenditures under this grant during the timeframe:

[Note: The actual invoice line items for Associated Costs should correspond exactly to the line items listed in the Grant Agreement Budget page.]

Associated costs	SALC	GRANTEE MATCH
Totals	\$	\$

Total reimbursement request in this invoice: \$

Name of Grant Agreement Signatory or Designee

Title

Attachment 8: Invoice Dispute Notification

GRANTEE ADDRESS		INVOICE DATE
		INVOICE NUMBER
		INVOICE AMOUNT \$
		DATE INVOICE RECEIVED
		GRANT AGREEMENT NUMBER

The invoice referenced above is disputed for the following reasons:

- | | |
|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <input type="checkbox"/> Request reimbursement for expenses not in the Budget Detail | <input type="checkbox"/> Invoiced for indirect cost reimbursement |
| <input type="checkbox"/> Invoiced for incidental costs or travel costs outside of CA | <input type="checkbox"/> Work performed prior to the Grant start or end date |
| <input type="checkbox"/> Insufficient evidence of progress made or task completion | <input type="checkbox"/> Invoice submitted without using required templates |
| <input type="checkbox"/> Insufficient supporting document for reimbursement | <input type="checkbox"/> Progress Report or Final Report not included with invoice |
| <input type="checkbox"/> Invoice not submitted by 5:00 p.m. on the required due date | <input type="checkbox"/> Request reimbursement through another funding source |
| <input type="checkbox"/> Other not listed above: | |

Comments:

THIS NOTIFICATION IS A FOLLOW UP TO A PHONE CONVERSATION WITH THE GRANTEE OR DESIGNEE WHOSE NAME APPEARS BELOW.

NAME	DATE OF CONVERSATION
------	----------------------

IF YOU HAVE ANY QUESTIONS REGARDING THIS DISPUTE, CONTACT:

NAME	TELEPHONE NUMBER (include Area Code)
------	--------------------------------------

<p>RETURN A COPY OF THIS NOTIFICATOIN WITH THE CORRECTED INVOICE TO:</p>	STATE OF CALIFORNIA USE ONLY	
	DATE DISPUTE RESOLVED	INITIALS
	RESOLUTION	

Exhibit C, General Terms and Conditions

1. Approval

This Grant Agreement is of no force or effect until signed by both parties. Grantee may not commence performance until such approval has been obtained.

2. Amendment

No change to this Grant Agreement shall be valid unless made in accordance with Exhibit A, Section 3 or 4, or Exhibit B, Section 7. No oral understanding or change not incorporated in this Grant Agreement is binding on any of the parties.

3. Assignment

This Grant Agreement is not assignable by Grantee, either in whole or in part, without the consent of the Department in the form of an amendment.

4. Records Retention

- A. Grantee shall establish an official file containing adequate documentation of all actions taken with respect to the Project, including copies of the Grant Agreement, changes, amendments, letters, email correspondence, financial records, and required reports for a minimum of four (4) years following the final payment of funds or until completion of any action and resolution of all issues which may arise as a result of an audit, whichever is later.
- B. Grantee shall adequately protect all records, physical and electronic, from loss, damage, or destruction during the four (4) year retention period.

5. Audit

- A. Grant funded projects are subject to audit by the State of California during the grant term and for up to four years following the termination of the grant agreement. Grantee agrees that the Department, Department of Finance, Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Grant Agreement. The audit may consist of examining and auditing pertinent books, documents, papers, and records including financial transactions and supporting documents, general accounting systems, internal controls, management practices, policies, and procedures pertaining to the performance of this Grant Agreement.

- B. At any time, the Department, Department of Finance, Bureau of State Audits, or their designated representative may request to review Grantee's records to ensure proper grant management. Grantee shall be given advance notice when the grant-funded Project is selected for an audit or review by the Department, Department of Finance, Bureau of State Audits, or their designated representative. Grantee agrees to allow the auditor(s) access to such records during normal business hours, excluding State of California holidays, and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the Department to audit records and interview staff in any subcontract related to performance of this Grant Agreement in accordance with Government Code section 8546.7. Grantee shall comply with the above and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code section 10115.10.

6. Indemnification

Grantee agrees to indemnify, defend, and hold harmless the State of California, its officers, agents, and employees from any and all claims and losses accruing or resulting to any and all Grantees, partners, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Grant Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by Grantee in the performance of this Grant Agreement.

7. Disputes

Grantee shall continue with the responsibilities under this Grant Agreement during any dispute.

8. Independent Grantee

Grantee, and the agents and employees of Grantee, in the performance of this Grant Agreement, shall act in an independent capacity and not as officers, employees, or agents of the Department.

9. Non-Discrimination Clause

During the performance of this Grant Agreement, Grantee and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, color, ancestry, national origin, religion, creed, age (over 40), mental disability, physical disability, sex, gender (including pregnancy, childbirth, breastfeeding,

or related medical conditions), sexual orientation, gender identity, gender expression, medical condition, genetic information, marital status, and military and veteran status. Grantee and subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Grant Agreement by reference and made a part hereof as if set forth in full. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Grant Agreement.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Grant Agreement.

10. Timeliness

Time is of the essence in this Grant Agreement. The Department and Grantee will work collaboratively to ensure this Grant Agreement is administered in a timely fashion.

11. Governing Law

This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

12. Unenforceable Provision

If any provision of this Grant Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Grant Agreement have force and effect and shall not be affected thereby.

Exhibit D, Special Terms and Conditions

1. Compliance with Laws and Regulations

By signing this Grant Agreement, Grantee certifies that it shall comply fully with all applicable federal, state, and local laws, ordinances, regulations, and permits and shall secure any new permits required by authorities having jurisdiction over the Project(s) and maintain all presently required permits. Grantee shall ensure that any applicable requirements of the California Environmental Quality Act are met in order to carry out the terms of this Grant Agreement.

2. Subcontractors

The Department's contractual relationship is with Grantee, and not any of its subcontractors. Grantee is entitled to make use of its own staff and subcontractors, as identified in the Budget Detail Worksheet (Attachment 5), and will comply with its own competitive bidding and sole sourcing requirements for subcontracts that arise out of or in connection with this Grant Agreement. Grantee shall manage, monitor, and accept responsibility for the performance of its own staff and subcontractors, and will conduct Project activities and services consistent with professional standards for the industry and type of work being performed under this Grant Agreement.

Nothing contained in this Grant Agreement or otherwise, shall create any contractual relation between the Department and any subcontractors, and no subcontract shall relieve Grantee of its responsibilities and obligations hereunder. Grantee agrees to be as fully responsible to the Department for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Grantee. Grantee's obligation to pay its subcontractors is an independent obligation from the Department's obligation to make payments to Grantee. As a result, the Department shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

3. No Third-Party Beneficiaries

This Grant Agreement is not intended for the benefit of any person or entity other than the parties, and no one other than the parties themselves may enforce any of the rights or obligations created by this Grant Agreement.

4. Project Monitoring and Oversight

Project monitoring and oversight is essential to ensure the Project stays within scope and is completed on schedule and within budget in accordance with this Grant Agreement.

5. Dispute Resolution

A. Invoice Disputes

- i. In the event of an invoice dispute, the Grant Manager will notify Grantee by phone and follow up in writing using the Invoice Dispute Notification Template (Attachment 8) within fifteen (15) days of receipt of the disputed invoice.
- ii. During the dispute, both parties shall deal in good faith to resolve the dispute. Grantee shall continue to meet its responsibilities and obligations under the terms of this Grant Agreement.
- iii. If Grantee contests the decision made by the Grant Manager, Grantee shall submit a written "Notice of Dispute" on official letterhead, according to Subsection C below.

B. General Disputes

- i. In the event of a dispute unrelated to the dispute of an invoice, Grantee shall first attempt to resolve the dispute with the Grant Manager.
- ii. Both parties shall deal in good faith and attempt to resolve the dispute informally.
- iii. Grantee shall continue to meet its responsibilities and obligations under the terms of this Grant Agreement during a dispute.
- iv. If Grantee contests the decision made by the Grant Manager, Grantee shall submit a written "Notice of Dispute" on official letterhead, according to Subsection C below.

C. Contesting a Dispute Decision

- i. If Grantee contests a decision made by the Grant Manager, Grantee may submit a written "Notice of Dispute" on official letterhead. The "Notice of Dispute" shall include:
 - The Grant Agreement number
 - A complete description of the basis for the dispute
 - Legal authority or pertinent facts, supporting arguments and documentation
 - Action requested for resolution

The "Notice of Dispute" shall be sent to:

Department of Conservation
Division of Land Resource Protection
Attn: Division Director
715 P Street, MS 1904
Sacramento, CA 95814

- ii. Within 30 days after receipt of the "Notice of Dispute," the Division Director shall review the dispute and submit a written decision to Grantee, which shall include:
 - The decision made
 - An explanation for the decision
 - Whether the decision shall be conclusive and binding or can be appealed and the steps to take to appeal the decision

6. Termination

- A. Completion of Project. This Grant Agreement shall terminate upon completion of the project and payment of the last invoice.
- B. Early Termination. Either Party may terminate this Grant Agreement upon thirty (30) days advance written notice by certified mail to the other Party. The notice shall specify the reason for early termination and may permit Grantee or Department to rectify any deficiency(ies) prior to the early termination date.

7. Waiver of Rights

- A. Grantee waives any and all rights to any type of express or implied indemnity or right of contribution from the Department, its officers, agents, or employees for any liability arising from, growing out of, or in any way connected with this Grant Agreement.
- B. Grantee waives all claims and recourses against the Department, including the right to contribution for loss or damage to persons or property arising from, growing out of, or in any way connected with or incident to this Grant Agreement, except claims arising from the gross negligence of the Department, its officers, agents, and employees.
- C. None of the provisions of this Grant Agreement shall be deemed waived unless expressly waived in writing.

8. Insurance Requirements

- A. Grantee that is a governmental organization may provide evidence of self-insurance to satisfy this requirement.
- B. If Grantee is not a governmental organization or is a governmental organization that is unable to provide evidence of self-insurance, then it

shall obtain and keep in force for the term of this Agreement the following insurance policies that cover any acts or omissions of Grantee, its subcontractors, or its employees engaged in the provision of service specified in this Agreement:

- i. Workers' Compensation Insurance in an amount of not less than \$1,000,000 in accordance with the statutory requirement of the State of California (California Labor Code § 3700 et seq.).
 - ii. Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence for bodily injury and property damage combined.
 - iii. Motor vehicle liability insurance in an amount not less than \$1,000,000 per accident for bodily injury and property damage combined. Such insurance shall cover liability arising out of any motor vehicle including owned or hired, and non-owned motor vehicles.
- C. The State of California, its officers, agents, and employees are included as additional insured, but only with respect to work performed for the State of California under this Grant Agreement. The additional insured endorsement must accompany the certificate of insurance.
- D. Grantee shall submit proof of insurance documents referencing this Grant Agreement number to the Department electronically within thirty (30) days of signing this Grant Agreement.
- E. Grantee shall notify Department in writing within five (5) working days of any cancellation, non-renewal, or material change that affects required insurance coverage.
- F. Grantee shall submit proof of new or updated policy based on insurance requirements within thirty (30) days of policy cancellation or substantial policy change. Failure to provide proof of insurance may result in termination of this Grant Agreement.

9. Stop Work

If it is determined, at the sole discretion of the Department, that Grantee is not meeting the terms and conditions of this Grant Agreement, immediately upon receiving a written notice through certified mail from the Department to stop work, Grantee shall cease all work under this Grant Agreement. The Department has the sole discretion to determine that Grantee meets the terms and conditions after a stop work order, and to send through certified mail a written notice to Grantee to resume work under this Grant Agreement.

10. Publicity

Grantee agrees that it will acknowledge the Department's support whenever activities or projects funded, in whole or in part, by this Grant Agreement are

publicized in any news media, brochures, articles, seminars, websites, or other type of promotional material.

Grantee shall also include in any publication resulting from work performed under this grant an acknowledgment substantially as follows:

"The work upon which this publication is based was funded in whole or in part through a grant awarded by the California Department of Conservation."

Media: Grantee is required to identify a point of contact for all press inquiries and communications needs related to the Project and provide the name, phone number, and email address of this individual to the Department. All press releases must be approved by the Department prior to distribution, and the Department must be alerted and invited to participate in all press conferences related to the grant.

Social Media: Grantee is encouraged to use social media to inform and share with the public activities under this Grant Agreement. Furthermore, the Department should be tagged on all posts related to activities under this Grant Agreement.

All publicity must comply with the Publicity and Confidentiality requirements set forth in the Guidelines (Exhibit F).

11. Drug-Free Workplace Certification

In signing this Grant Agreement, Grantee certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- B. Establish a Drug-Free Awareness Program to inform employees about:
 - i. The dangers of drug abuse in the workplace.
 - ii. The person's or organization's policy of maintaining a drug-free workplace.
 - iii. Any available counseling, rehabilitation, and employee assistance programs.
 - iv. Penalties that may be imposed upon employees for drug abuse violations.
- C. Every employee who works on this Grant Agreement will:
 - i. Receive a copy of the organization's drug-free workplace policy statement.

- ii. Agree to abide by the terms of the organization's statement as a condition of employment on this Grant Agreement.

Failure to comply with these requirements may result in suspension of payments under this Grant Agreement or termination of this Grant Agreement or both, and Grantee may be ineligible for award of any future State of California agreements if the Department determines that any of the following has occurred: Grantee has made false certification, or violated the certification by failing to carry out the requirements as noted above (Gov. Code §8350 et seq.).

12. Americans with Disabilities Act

Grantee assures the Department that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.).

13. Air/Water Pollution Violation Certification

Under State of California laws, Grantee shall not be: (1) in violation of any order or resolution not subject to review promulgated by the California Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

14. Payee Data Record Form - STD 204

This form must be completed by all Grantees that are not another state agency or other governmental entity.

15. Emergencies

In an emergency or suspected emergency, the Council or its designee may enter the Real Property to prevent, terminate, or mitigate a potential or unaddressed violation.

16. Notice of Unrecorded Grant Agreement and Irrevocable Offer to Convey Title in Fee

Grantee shall record or cause to be recorded, concurrently with close of escrow for the purchase of the Real Property, the Notice of Unrecorded Grant Agreement (Notice) and the Irrevocable Offer to Convey Title in Fee and Declaration of Restrictive Covenants (Offer). The Notice shall be

in the form of Exhibit H and the Offer shall be in the form of Exhibit I. Both are subject to review and approval by the Department prior to recordation. Within 30 days of close of escrow, Grantee shall provide to the Department a conformed copy of both recorded documents

17. Breach and Default of Covenants

The breach of any of the terms, covenants or conditions of this Grant Agreement, including the Conditions of Funding contained in Exhibit F to this Grant Agreement, is considered a General Dispute. The terms of Section 5 (Dispute Resolution) are modified to provide for a 90-day period after Grantee has received notice to either cure the breach or be diligently pursuing a cure in accordance with a plan agreed to by the State.

If the breach is not curable within said 90-day period or if Grantee does not commence the cure within the 90-day period and diligently pursue it to completion, then Grantee shall be in default (Default) of the Grant Agreement.

Grantee shall also be in Default of the Grant Agreement upon the discovery that information given to the Department by or on behalf of Grantee under or in connection with obtaining this Grant Agreement was materially false, incomplete, or misleading.

18. Remedies

In the event of a Default of the Grant Agreement, in addition to any and all remedies available at law or in equity, the Department shall have the following remedies:

- A. Specific Performance. The Department may seek specific performance of this Grant Agreement.
- B. Conveyance of an Agricultural Conservation Easement. The Department may require Grantee to convey an agricultural conservation easement over the Property in favor of an entity or organization selected by the Department that: 1) is authorized by California law to acquire and hold conservation easements, 2) has similar purposes to preserve agricultural lands and open space, 3) is financially able to assume all of the obligations of Grantee, and 4) expressly agrees to assume the responsibilities imposed on the Grantee through the Grant Agreement. The agricultural conservation easement is subject to review and approval

by the Council and must be substantially in the form of the easement template, included as Exhibit J to this Grant Agreement.

Acceptance of the Irrevocable Offer to Convey Title in Fee and Declaration of Restrictive Covenants. As set forth in the Offer, the Council or its designee may accept the Offer upon (1) a finding of a Default of any of the terms, covenants or conditions of Exhibit G of the Grant Agreement; (2) when the Real Property is under threat of condemnation or has been condemned, as further described in Section 20, below; or (3) Grantee ceases to exist or loses the legal authority to hold fee title to the Real Property.

19. Provisions that Survive Termination of Grant Agreement

The provisions of this Grant Agreement that are not fully performed as of the close of escrow shall survive the close of escrow for Grantee's acquisition of the Real Property and remain in full force and effect until the Real Property is encumbered with an agricultural conservation easement and the Department has received its proportionate share of the net proceeds

20. Condemnation

Condemnation means a permanent taking through the exercise of any government power (by legal proceeding or otherwise) by any party have the right of eminent domain ("Condemnor"); or through a voluntary sale or transfer by the offeror to any Condemnor, either under threat of exercise of eminent domain by a Condemnor or while legal proceedings for eminent domain are pending. If the Real Property is under threat of condemnation or has been condemned, the Grantee shall promptly notify the Council and Department in writing, and provide a copy of the appraisal to the State for review. Upon receiving condemnation proceeds, the Grantee shall promptly pay the State ___% of the condemnation proceeds, which is the percentage of the total acquisition cost originally contributed by the Council.

21. Proportionate Share of Net Proceeds

The "net proceeds of the sale" (Net Proceeds) is defined as the fair market value of the land less the value of the agricultural conservation easement. These values shall be established by an appraisal acceptable to the Department at the time of the transfer. The Department's proportionate share of the net proceeds shall be calculated using a factor reflecting the Department's proportionate share of the purchase

price paid by the Grantee in the original acquisition of fee title, taking into account contributions from all sources toward that original purchase price. No deduction of associated costs are allowed.

Exhibit E, Award Letter

[Insert award letter here.]

Exhibit F, Guidelines

[Insert Guidelines here.]

Exhibit G, Fee Acquisition and Grantee's Covenants and Declaration of Restrictions

For the Real Property (Exhibit A, Attachment 1) acquired in part with state funds encumbered by this Grant Agreement, Grantee agrees to the restrictions on the use, limitations on further transfers or conveyances, and obligations to the State, as follows:

a. Use of Real Property.

Grantee shall use, manage, operate, and maintain the Real Property so that it remains in productive agricultural use, [*supports a healthy agricultural economy and resulting food security, protects a critical wildlife linkage in _____ Habitat Agency's Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP), maintains its open space character, and supports onsite educational opportunities*]. Any use of the Real Property that materially impairs or is inconsistent with these purposes is prohibited. To the extent that protection of these purposes conflict, the purposes shall be prioritized in the order listed.

b. Use of the Real Property as security for debt.

Grantee shall not use any portion of the Real Property as security for any debt without the prior written approval of the Council, with such approval at the Council's sole discretion.

c. Taxes and Assessments.

Grantee shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Real Property by a competent authority and shall furnish Council with satisfactory evidence of payment upon request. The Grantee shall keep the Real Property free from any liens including, without limitation, those arising out of any obligations incurred by the Grantee for any labor or materials furnished or alleged to have been furnished to or for the Grantee at or for use on the Real Property.

d. Buildings and Envelopes.

Attachment 1 to this Exhibit G depicts the location of the ? acre Building Envelope and the ?-acre Agricultural Infrastructure Envelope (collectively, "envelopes").

1. The Building Envelope may have ? single-family residence(s), accessory dwellings, and farm labor housing. The sizes of these structures are limited to a maximum living area that is consistent with the Grantee's policies, local building codes, and the surrounding neighborhood.
2. The Agricultural Infrastructure Envelope may have structures supporting agricultural operations on the Real Property, such as barns, equipment sheds, a farm stand, and farm labor housing.

Except for minor structures that support the agricultural use (e.g., pumphouses, solar panels for wells) or temporary structures that support habitat restoration or for health and safety of workers, no structures are permitted outside of these two envelopes, and no additional envelopes shall be created.

e. No Subdivision

The division, subdivision, defacto subdivision, or partition of the Real Property, including transfer of development rights, whether by physical, legal, or any other process, is prohibited. The Grantee will not sell, exchange, convert, transfer, assign, mortgage or otherwise encumber, alienate or convey any parcel associated with the Real Property or portion of any parcel of the Real Property separately or apart from the Real Property as a whole.

f. Transfer of the Real Property.

Grantee shall not transfer any interest in any or all portions of the Real Property unless: (1) the Council provides prior written approval of the transfer, (2) Grantee reserves ownership of an agricultural conservation easement; and, (3) the State receives its proportionate share of the net proceeds per Section 21 of Exhibit D to this Agreement, as applicable.

Permanent separation of water or water rights is prohibited. Only that quantity of water or water rights that is not necessary for present or future agricultural production on the Real Property may be temporarily distributed on an annual basis. Any temporary distribution shall not impair the current or future agricultural use or open space character of the Real Property.

Reservation of an Agricultural Conservation Easement.

- (i) Prior to or concurrently with Grantee's conveyance of the fee title of this Real Property, Grantee must reserve ownership of an agricultural conservation easement on this Real Property. The

easement holder and the owner of the fee title cannot be the same party.

- (ii) The agricultural conservation easement must be substantially in the form of the conservation easement template included as Exhibit J to this Agreement.
- (iii) The easement holder must 1) be authorized by California law to acquire and hold conservation easements, 2) have similar purposes to preserve agricultural lands and open space, 3) be financially able to assume all of the obligations of Grantee, 4) and expressly agree to assume the responsibilities imposed on the Grantee through the Grant Agreement.
- (iv) From the compensation received by the Grantee, the Department must receive its proportionate share of the net proceeds per Section 21 of Exhibit D to this Grant Agreement.

Leases that comply with the requirements of this Agreement are exempt from this restriction. However, unless and until an agricultural conservation easement is recorded, Grantee shall ensure that each lease is subordinate to the restrictions herein.

Attachment 1: Building Envelopes and Existing Improvements

Exhibit H, Form of Notice of Unrecorded Grant Agreement

Space above line for Recorder's Use

Project Name:

_____ County

NOTICE OF UNRECORDED GRANT AGREEMENT (WITH COVENANTS AFFECTING REAL PROPERTY)

This Notice of Unrecorded Grant Agreement ("Notice"), dated as of _____, is made by [*insert grantee name*] ("Grantee") and recorded concurrently with the grant deed described below to provide notice of an agreement between Grantee and the California Department of Conservation ("Department") affecting the real property described below. An Irrevocable Offer to Convey Title in Fee and Declaration of Restrictive Covenants is also being recorded concurrently with this Notice and grant deed.

1. Grant Agreement.

The Department and Grantee have entered into a Grant Agreement (#XX) under the Sustainable Agricultural Lands Conservation Program for the acquisition of the fee interest in the Real Property, ("Grant Agreement"), pursuant to an award by the Strategic Growth Council at its [*insert award date*], meeting. The award has enabled Grantee's acquisition of fee title to approximately __ acres of real property located in ? County, California (the "Real Property"), by grant deed from [*insert fee owner*]. The Real Property is legally described in Attachment 1 to this Notice and incorporated herein by this reference.

Capitalized terms used in this Notice and not otherwise defined shall have the meaning set forth in the Grant Agreement.

2. Irrevocable Offer to Convey Title in Fee and Declaration of Restrictive Covenants.

Grantee has executed and recorded concurrently with the Notice and the grant deed an Irrevocable Offer to Convey Title in Fee and Declaration of Restrictive Covenants ("Offer").

3. Notice.

Grantee agrees under the terms of the Grant Agreement to execute this Notice that Grantee received funds under the Grant Agreement to assist Grantee in acquiring the Real Property and that, in consideration of the grant funds, Grantee has agreed to the restrictions and obligations in the terms of the Grant Agreement and the Offer. The Grant Agreement is incorporated herein by this reference.

4. Grantee Obligations and Restrictions Related to Real Property.

The Real Property is subject to multiple obligations, restrictions on use, and limitations on ownership. These obligations, restrictions, and limitations are located in both the Grant Agreement and the Offer.

5. Transfer of the Real Property.

Pursuant to the Grant Agreement and the Offer, the Real Property cannot be transferred without the express written approval of the Council and the reservation of an agricultural conservation easement. Any transfer otherwise, including for a condemnation, is null and void.

6. Term.

Pursuant to the Grant Agreement and the Offer, the provisions of the Grant Agreement that are not fully performed as of the close of escrow for Grantee's acquisition of the Real Property shall survive said close of escrow and remain in full force and effect until the Real Property is encumbered with an agricultural conservation easement and the Department has received its proportionate share of the net proceeds.

7. Grant Agreement Controls.

This Notice is solely for the purpose of recording and in no way modifies the provisions of the Grant Agreement or the Offer. Grantee and the Department each have rights, duties and obligations under the Grant Agreement that are not set forth in this Notice. To the extent the terms of this Notice conflict with the Grant Agreement, the terms of the Grant Agreement shall govern and control.

GRANTEE: [Insert Grantee Name]

By:

Print Name:

Title:

Date:

Notary Page

Attachment 1
Legal Description

Exhibit I, Form of Irrevocable Offer to Convey Title in Fee and Declaration of Restrictive Covenants

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN(s): *[Insert APNs]*

IRREVOCABLE OFFER TO CONVEY TITLE IN FEE AND DECLARATION OF RESTRICTIVE COVENANTS

(*[Name of Property]*, _____ County, California)

This IRREVOCABLE OFFER TO CONVEY TITLE IN FEE AND DECLARATION OF RESTRICTIVE COVENANTS (Offer) is made this ____ day of _____, 202_, by the _____ (Offeror).

Pertinent Facts

- A. Offeror is the legal owner of the fee interest in real property (Real Property) in the County of _____, State of California (described in Attachment 1) that was conveyed to the Offeror under the grant deed recorded concurrently with this Offer.
- B. Offeror is a _____ of the State of California organized and existing under the laws of the State of California.
- C. Offeror purchased the Real Property using funds from the Sustainable Agricultural Lands Conservation Program (SALC), a component of the Strategic Growth Council's (Council) Affordable Housing and Sustainable Communities Program. The Program supports California's greenhouse gas

emission reduction goals by making strategic investments to protect agricultural lands from conversion to more GHG intensive uses.

- D. The Council contributed \$_____ for this acquisition from the California Climate Investment Fund. The terms of the award, made at the Council's [*insert award meeting date*], are in the Grant Agreement (#302#-###), [as amended], and which are referred to in the Notice of Unrecorded Grant Agreement recorded concurrently with this Offer.
- E. In order to receive the funding used to acquire the Real Property, Offeror agreed to specific conditions (Conditions of Funding) and other terms included in the Grant Agreement. Offeror is executing this Offer to comply with the Conditions of Funding and the Grant Agreement to protect the investment by the people of the State of California.
- F. Offeror intends through this Offer to bind itself, its successors in interest, and its lessees of the Real Property.

OFFEROR HEREBY IRREVOCABLY OFFERS TO CONVEY fee title to the Real Property to the State of California and agrees to the restrictions on the use, limitations on further transfers or conveyances, and obligations to the State, as follows, in light of the pertinent facts above, and in consideration of the Council's grant award to Offeror for the acquisition of the Real Property.

1. Acceptance of Offer.

The Council or its designee (Accepting Party) can only accept this Offer in the following three instances:

- a. Upon a finding by the Council, following written notice to Offeror and a reasonable opportunity to cure, that Offeror is in Default of any one or more of the Covenants and Declaration of Restrictions set forth in Section 2 of this Offer and Exhibit G of the Grant Agreement;
- b. When Offeror ceases to exist or loses the legal authority to hold fee title to the Real Property; or
- c. When the Real Property is under threat of condemnation or has been condemned, as further described in Section 3 of this Offer.

Acceptance of this Offer occurs when the State or its designee records in the Official Records of _____ County a Certificate of Acceptance substantially in the form of Attachment 2 to this Offer.

2. Offeror's Covenants and Declaration of Restrictions.

Offeror declares that the Real Property is subject to certain restrictions that, if breached and not cured, will enable the Accepting Party to accept this Offer. Those restrictions are as follows:

a. Use of Real Property.

Offeror shall use, manage, operate, and maintain the Real Property so that it remains in productive agricultural use, *[supports a healthy agricultural economy and resulting food security, protects a critical wildlife linkage in ____ Habitat Agency's Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP), maintains its open space character, and supports onsite educational opportunities]*. Any use of the Real Property that materially impairs or is inconsistent with these purposes is prohibited. To the extent that protection of these purposes conflict, the purposes shall be prioritized in the order listed.

b. Security for Debt.

Offeror shall not use any portion of the Real Property as security for any debt without the prior written approval of the Council, with such approval at the Council's sole discretion.

c. Taxes and Assessments.

Offeror shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Real Property by a competent authority, and shall furnish Council with satisfactory evidence of payment upon request. The Offeror shall keep the Real Property free from any liens including, without limitation, those arising out of any obligations incurred by the Offeror for any labor or materials furnished or alleged to have been furnished to or for the Offeror at or for use on the Real Property.

d. Buildings and Envelopes.

Attachment 1 to Exhibit G of the Grant Agreement depicts the location of the __-acre Building Envelope and the __-acre Agricultural Infrastructure Envelope (collectively, "envelopes").

1. The Building Envelope may have ?? single-family residence(s), accessory dwellings, and farm labor housing. The sizes of these structures are limited to a maximum living area that is consistent with

the Offeror's policies, local building codes, and the surrounding neighborhood.

2. The Agricultural Infrastructure Envelope may have structures supporting agricultural operations on the Real Property, such as barns, equipment sheds, a farm stand, and farm labor housing.

Except for minor structures that support the agricultural use (e.g., pumphouses, solar panels for wells) or temporary structures that support habitat restoration or for health and safety of workers, no structures are permitted outside of these two envelopes, and no additional envelopes shall be created.

e. No Subdivision

The division, subdivision, defacto subdivision, or partition of the Real Property, including transfer of development rights, whether by physical, legal, or any other process, is prohibited. The Grantee will not sell, exchange, convert, transfer, assign, mortgage or otherwise encumber, alienate or convey any parcel associated with the Real Property or portion of any parcel of the Real Property separately or apart from the Real Property as a whole.

f. Transfer of the Real Property.

Offeror shall not transfer any interest in any or all portions of the Real Property unless: (1) the Council provides prior written approval of the transfer, (2) Offeror reserves ownership of an agricultural conservation easement; and, (3) the State receives its proportionate share of the net proceeds as provided in Section 21 of Exhibit D to the Grant Agreement.

Reservation of an Agricultural Conservation Easement.

1. Prior to or concurrently with Offeror's conveyance of the fee title of this Real Property, Offeror must reserve ownership of an agricultural conservation easement on this Real Property. The easement holder and the owner of the fee title cannot be the same party.
2. The agricultural conservation easement must be substantially in the form of the conservation easement template included as Exhibit J to the Grant Agreement.
3. The easement holder must 1) be authorized by California law to acquire and hold conservation easements, 2) have similar purposes

to preserve agricultural lands and open space, 3) be financially able to assume all of the obligations of Grantee, 4) and expressly agrees to assume the responsibilities imposed on the Grantee through the Grant Agreement.

4. From the compensation received by the Grantee, the Department must receive its proportionate share of the net proceeds per Section 21 of Exhibit D to the Grant Agreement.

Leases that comply with the requirements of the Grant Agreement are exempt from this restriction. However, unless and until this Offer is terminated, the Grantee shall ensure that each lease must expressly acknowledge and be subordinate to the restrictions herein. Leases shall also be subject to the terms of this Offer, including that if the Real Property is transferred, an agricultural conservation easement superior to the lease will be reserved.

Permanent separation of water or water rights is prohibited. Only that quantity of water or water rights that is not necessary for present or future agricultural production on the Real Property may be temporarily distributed on an annual basis. Any temporary distribution shall not impair the current or future agricultural use or open space character of the Real Property.

3. Condemnation.

Condemnation means a permanent taking through the exercise of any government power (by legal proceeding or otherwise) by any party having the right of eminent domain ("Condemnor"); or through a voluntary sale or transfer by Offeror to any Condemnor, either under threat of exercise of eminent domain by a Condemnor or while legal proceedings for eminent domain are pending. If the Real Property is under threat of condemnation or has been condemned, Offeror shall promptly notify the Council and Department of Conservation in writing, and Offeror shall use its best efforts to obtain the maximum compensation possible. Upon receiving condemnation proceeds, Offeror shall promptly pay the State ___% of the condemnation proceeds, which is the percentage of the total acquisition cost originally contributed by the Council.

If the Accepting Party accepts this Offer due to the threat of condemnation and receives proceeds following condemnation, the Accepting Party shall distribute a proportionate share to the Offeror not to exceed Offeror's contribution to the acquisition costs. If an Accepting Party accepts this Offer

due to the threat of condemnation, and condemnation does not occur, then the Accepting Party shall either reconvey the Real Property to the Offeror or pay to Offeror the amount of Offeror's contribution to the acquisition costs, unless the Accepting Party and Offeror agree otherwise.

4. Other Remedies.

Notwithstanding any other provision of this Offer, the Council may use any remedy available in law or equity to enforce the covenants and restrictions contained in this Offer, or to enforce any other covenants and restrictions contained in the Grant Agreement, including the Conditions of Funding contained in Exhibit F to the Grant Agreement.

5. Benefit and Burden.

The Offer shall run with and burden the Real Property. All obligations, terms, conditions, and restrictions contained in this Offer shall be deemed covenants and restrictions running with the land, shall be effective limitations on the use of the Real Property from the date of recordation of this document, and shall bind Offeror and all its successors and assigns. This Offer shall benefit the State of California.

6. Construction of Validity.

If a court in a final determination holds any term or restriction of this Offer invalid, no other provision shall be affected, and such determination shall not terminate or otherwise affect this Offer.

7. Term.

This Offer is irrevocable, and recordation of an acceptance in the form of Attachment 2 to this Offer by an Accepting Party shall have the effect of a grant of the Real Property to the Accepting Party.

This Offer shall remain in full force and effect until the Real Property is encumbered with an agricultural conservation easement and the Department has received its proportionate share of the net proceeds.

8. Amendment.

No change to this Offer shall be valid unless made in writing, signed by Offeror and the Council, and recorded in the Official Records of _____ County, California.

Offeror executes this document on the date first written above.

GRANTEE:

By:

Print Name:

Title:

Date:

Notary Page

Attachment 1 – Legal Description

Attachment 2 – Certificate of Acceptance

SAMPLE ONLY. NOT FOR SIGNATURE OR RECORDATION

Recording Requested By and
When Recorded Return to:

Strategic Growth Council
Address 1
Address 2
Sacramento, CA #####
Attn: Legal Counsel:

Project:

EXEMPT FROM RECORDING FEES – GOV. CODE SECTION 6103, GOV. CODE
SECTION 27383

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in the Real Property offered to the State of California, acting by and through the {insert Accepting Party}, in the IRREVOCABLE OFFER TO CONVEY TITLE IN FEE AND DECLARATION OF RESTRICTIVE COVENANTS (“the offer”) executed by the _____ on _____, and recorded on _____ as Instrument No. _____ in the Official Records of the County of _____, pursuant to the authorization of the Strategic Growth Council, Resources Agency, State of California, adopted on _____ on the basis of findings made in accordance with Section 1 of the Offer.

STATE OF CALIFORNIA
RESOURCES AGENCY
STRATEGIC GROWTH COUNCIL

By:

Print Name: _____

Title: _____

Date: _____

STATE OF CALIFORNIA
{Accepting Party}

By:

Print Name: _____

Title: _____

Date: _____

Exhibit J, Conservation Easement Template