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FATCO  
4009-1687885 (LB)  
RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

American Land Conservancy  
1388 Sutter Street, Suite 810  
San Francisco, CA 94109  
Attn: Harriet Burgess

DOC#: 2005013390



Titles: 1	Pages: 12
Fees	40.00
Taxes	0.00
Others	0.00
PAID	<u>40.00</u>

Space Above This Line for Recorder's Use

**MEMORANDUM OF AGREEMENT REGARDING EAST SIDE "EXCLUDED" AREAS**

This is a memorandum (the "Memorandum") of that certain unrecorded Agreement Regarding East Side "Excluded" Areas (the "Agreement"), effective February 18, 2005 (the "Effective Date"), by and among HEARST HOLDINGS, INC., a Delaware corporation ("Hearst"), AMERICAN LAND CONSERVANCY, a California nonprofit public benefit corporation ("ALC"), and CALIFORNIA RANGELAND TRUST, a California nonprofit public benefit corporation ("CRT").

Subject to the terms and conditions of the Agreement, Hearst, ALC and CRT have agreed that the real property located in San Luis Obispo County, California, referred to by such parties as the "TNC Reverter Area" and the "Polar Star Mining Area" and described in Exhibit A and Exhibit B, respectively, attached hereto and incorporated herein by this reference, shall be subject to the terms and conditions of that certain Deed of Conservation Easement and Agreement Concerning Easement Rights of even date herewith, by Hearst to ALC, recorded in the Official Records of San Luis Obispo County, California, on February 18, 2005, as Document No. 2005013388 (the "East Side Easement").

Also, subject to the terms and conditions of the Agreement, Hearst, ALC and CRT have agreed that the real property located in San Luis Obispo County, California, referred to by such parties as the "State Parks Expansion Envelope" and described in Exhibit C, and depicted on Exhibit D, attached hereto and incorporated herein by this reference, shall be subject to the terms and conditions of the East Side Easement for an interim period commencing on the Effective Date and terminating on the date that Hearst conveys to the State of California, acting on behalf of the Department of Parks and Recreation of the State of California ("State Parks"), the "Dedication Area" (as defined in that certain Agreement and Irrevocable Offer to Dedicate by Gift (Expansion Envelope) of even date herewith, by Hearst to State Parks, recorded in the Official Records of San Luis Obispo County, California, on February 18, 2005, as Document No. 2005013392 ).

Also, subject to the terms and conditions of the Agreement, Hearst has agreed to donate and convey the real property located in San Luis Obispo County, California, referred to as the "Rock Islets" and described in Exhibit E, attached hereto and incorporated herein by this reference, directly or indirectly through ALC to a public agency, subject to the terms and conditions set forth in the Agreement.

The Agreement is incorporated herein by this reference as though set forth in full. In the event of any inconsistency between this Memorandum and the Agreement, the Agreement shall control for all purposes and in all respects.

This Memorandum may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties authorize each other to detach and combine, or cause to be detached and combined, original signature pages and consolidate them into a single identical original for recordation of this Memorandum in the Official Records of San Luis Obispo County, California.

IN WITNESS WHEREOF, the parties have executed this Memorandum as set forth below.

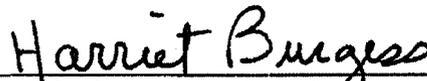
**HEARST:**

HEARST HOLDINGS, INC., a Delaware corporation

By:   
Stephen T. Hearst  
Vice President and Manager  
San Simeon Ranch Division

**ALC:**

AMERICAN LAND CONSERVANCY, a California nonprofit public benefit corporation

By:   
Harriet Burgess, President

**CRT:**

CALIFORNIA RANGELAND TRUST, a California nonprofit public benefit corporation

By:   
Nita Vail, Executive Director

Exhibits

- A - Legal Description of TNC Reverter Area
- B - Legal Description of Polar Star Mining Area
- C - Legal Description of State Parks Expansion Envelope
- D - Map of State Parks Expansion Envelope
- E - Legal Description of the Rock Islets

STATE OF CALIFORNIA )  
 )  
COUNTY OF SACRAMENTO )

On February 10, 2005, before me, the undersigned, a notary public for the state,  
personally appeared Stephen T. Hearst.

- 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.

Kathryn A. Hustrei  
Kathryn A. Hustrei



NOTARY SEAL

STATE OF CALIFORNIA )  
 )  
COUNTY OF SACRAMENTO )

On February 10, 2005, before me, the undersigned, a notary public for the state,  
personally appeared Harriet Burgess.

- 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.

Kathryn A. Hustrei  
Kathryn A. Hustrei



NOTARY SEAL

STATE OF CALIFORNIA                    )  
  )  
COUNTY OF SACRAMENTO                )

On February 10, 2005, before me, the undersigned, a notary public for the state,  
personally appeared Nita Vail

- 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.

Kathryn A. Hustrel

Kathryn A. Hustrel



NOTARY SEAL

Exhibit A to  
Memorandum of  
Agreement Regarding  
East Side "Excluded" Areas

**LEGAL DESCRIPTION OF TNC REVERTER AREA**

Real property in the County of San Luis Obispo, State of California, described as follows:

TNC Parcels 1 and 2 described as follows:

Parcel 1:

Lots 2, 3 and 5 in Section 3 of Township 26 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat hereof.

Excepting from Lot 5 that portion lying within the Pine Mountain Consolidated Mine, Mineral Survey No. 4407.

Parcel 2:

Government Lot 1 of Section 16 in Township 26 South, Range 8 East, Mount Diablo Base and Meridian, in the County of San Luis Obispo, State of California, according to the official plat of the survey of said land, approved by the Surveyor General.

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**LEGAL DESCRIPTION OF POLAR STAR MINING AREA**

That portion of Section 13 in Township 25 South, Range 6 East, Mount Diablo Meridian, in the County of San Luis Obispo commonly known as the "Polar Star Mines" described as follows:

**Polar Star No. 1**

(as described in the document recorded November 24, 1931, in Book 13, Page 369 of Mines, records of said County):

Commencing at the Northwesterly end center of said claim, a stake, the discovery monument being a point which is 8.72 chains East of a point distant 12.24 chains South of the Northwest Corner of Section 13, Township 25 S. R. 6 E. M. D. M. thence from said point of beginning running South 28° 30' West, 300 ft. to stake, thence South 61° 30' East 1500 ft. to stake thence North 28° 30' East, 600 ft. to stake; thence North 61° 30' West, 1500 ft. to stake, thence South 28° 30' West 300 ft. to point of beginning.

**Polar Star No. 2**

(as described in the document recorded November 24, 1931, in Book 13, Page 370 of Mines, records of said County):

Commencing at Easterly center end of Polar Star No. 1 a stake and point of beginning. Running North 28° 30' East 300 ft. thence South 61° 30' East, 1500 ft. thence South 28° 30' West 600 ft. thence North 61° 30' West 1500 ft. thence North 28° 30' East, 300 ft. to point of beginning, being in Section 13, Township 25 S. R. 6 E. M. D. M.

**Polar Star No. 3**

(as described in the document recorded October 13, 1942, in Book 326, Page 117 of Official Records of said County):

Beginning at the center stake on the Northwesterly boundary of Polar Star No. 1 thence S 28° 30' W 300 ft. to the Southwest corner of said Polar Star No. 1, thence Northwesterly along the produced Southwesterly boundary of Polar Star No. 1 392 ft more or less to the section line between Sections 13 & 14, T 25 S R 6 E M.D.B.&M. thence northerly along the said section line a distance of 671.33 ft to a point from which the northwest corner of Section 13 as shown by intersection of old fences, bears North 76.9 ft, thence on a line parallel with the South boundary of this claim (Polar Star No. 3) Southeasterly to a point on the northwesterly boundary of Polar Star No. 1, a distance of 714.3 ft. and thence S 28° 30' W to the place of beginning. Said claim being a fraction and containing 7.6 acres a little more or less, all the courses except the point of beginning which is a 4" X 4" X 3' stake, being marked by ½" galvanized pipes driven firmly into the ground and their position marked by 1" X 3" X 3' markers.

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**Polar Star No. 4**

(as described in the document recorded August 31, 1942, in Book 316, Page 435 of Official Records of said County):

Beginning at a point on the north line of Section 13, T. 25S. R 6E M.D.B. & M. where it is intersected by the Northeasterly production of the Northwest line of Polar Star No. 1 Thence in a Southwesterly direction along the said produced line of Polar Star No. 1 to the Northwest corner thereof; thence in a Southeasterly direction along the northeasterly boundary of Polar Star No. 1 to its Northeast Corner; thence Northeasterly along the produced Southeasterly line of Polar Star No. 1 a distance of 600 ft to a stake; thence Northwesterly and parallel to the northeasterly boundary of Polar Star No. 1 to a point where it intersects the North boundary of Section 13 of said Township and Range and thence along the said Section line to the place of beginning.

**Polar Star No. 5**

(as described in the document recorded August 31, 1942, in Book 316, Page 436 of Official Records of said County):

Beginning at the S.W. corner of Polar Star No. 1; thence Southwesterly along the produced northwesterly line of Polar Star No. 1 a distance of 600 ft. thence on a line that is parallel with the Southwesterly line of Polar Star No. 3 in a Northwesterly direction to the Section line running North and South between Section 13 and 14 in Township 25 S. R 6E, M. D. B. & M.; thence North along the said section line to a point where it is intersected by the Southwesterly line of Polar Star No. 3 and thence in a Southeasterly direction along the said Southwest line of Polar Star No. 3 to the place of beginning.

**Polar Star No. 6**

(as described in the document recorded August 31, 1942, in Book 316, Page 436 of Official Records of said County):

Beginning at the Southwesterly corner of Polar Star No. 1, thence Southwesterly along the produced Northwesterly line of Polar Star No. 1 a distance of 600 ft to a stake; thence Southeasterly on a line parallel with the Southwesterly boundary of Polar Star No. 1 a distance of 1500 ft. more or less to a point where it is intersected by the produced Southeasterly line of said Polar Star No. 1; thence Northeasterly along the said produced line a distance of 600 ft to the Southeast corner of said Polar Star No. 1 and thence Northwesterly along the Southwesterly line of Polar Star No. 1 to the place of beginning.

**Polar Star No. 7**

(as described in the document recorded October 13, 1942, in Book 326, Page 118 of Official Records of said County):

Beginning at the Northwest corner of Polar Star No. 1 thence along the Northeast. line of Polar Star No. 3 to where it intersects the West line of Section 13 Township 25 S R 6 E M.D.B.& M. thence along the west line of said Section 13 to the Northwest corner of the section thence East along the north line of Section 13 to where it intersects the Northwest line of Polar Star No. 4 thence Southwesterly along the Northwest line of Polar Star No. 4 to the point of beginning.

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**Polar Star No. 8**

(as described in the document recorded October 13, 1942, in Book 326, Page 118 of Official Records of said County):

Beginning at the northwest corner of Polar Star No. 2 thence Northeasterly along the southeast boundary of Polar Star No. 4 to the Northeast corner of Polar Star No. 4 thence Southeasterly 1500 ft. or less along a line parallel to the Northeast line of Polar Star No. 2 thence Southwesterly 600 ft to the Northeast corner of Polar Star No. 2 and thence along the Northeasterly line of Polar Star No. 2 to the place of beginning.

**Polar Star No. 9**

(as described in the document recorded October 13, 1942, in Book 326, Page 119 of Official Records of said County):

Beginning at the Southwest corner of Polar Star No. 2 thence along the Southwest line of Polar Star No. 2 to the Southeast corner of Polar Star No. 2 thence Southwesterly 600 ft along a line parallel to the Southeast line of Polar Star No. 6, thence northwesterly 1500 ft. along a line parallel to the Southwest line of Polar Star No. 2 to the Southeast corner of Polar Star No. 6 thence along the Southeast line of Polar Star No. 6 to the point of beginning.

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Exhibit C to  
Memorandum of  
Agreement Regarding  
East Side "Excluded" Areas

**LEGAL DESCRIPTION OF STATE PARKS EXPANSION ENVELOPE**

The real property referred to in this Memorandum as the "State Parks Expansion Envelope" is located in San Luis Obispo County, California, and is legally described as follows:

**PARCEL 1:**

A portion of the Rancho Piedra Blanca as described in certificate of compliance, recorded as Instrument. No. 2001-098848, dated December 20, 2001 in the county records office of San Luis Obispo County, California described as follows;

Beginning at a point described as a ¾" iron rod with aluminum cap stamped "1982, LS 4280 No. 6" marking the most north easterly corner of that certain tract of land known as Parcel 1, and recorded in the deed to the State of California, dated January 29, 1985, in Volume 2691, Page 124 of Official Records of the County of San Luis Obispo;

- 1) Thence from said point N 18°28'43"E, 177.90 feet;
- 2) Thence N 59°00'59"W, 264.82 feet to the boundary line of that parcel known as Parcel 1, and described in the deed to the State of California, recorded March 14, 1958, and recorded in Volume 931, Page 487 of Official Records of the County of San Luis Obispo;
- 3) Thence along the boundary line of said parcel, S 24°03'50" W, 212.43 feet, to a ¾" iron rod with aluminum cap stamped "1982, LS 4280 No. 7" marking the most northerly corner of that certain tract of land known as Parcel 1, and described in the deed to the State of California, dated January 29, 1985, and recorded in Volume 2691, Page 124 of Official Records of the County of San Luis Obispo;
- 4) Thence along the boundary line of said parcel, S 66°38'41" E, 280.23 feet to the point of beginning.

The above-described parcel contains 1.21 acres, more or less.

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PARCEL 2:

Beginning at the westerly terminus of that certain course described as "N 51°27'30" W, 50.76 feet" in Deed of Gift to the State of California recorded March 14, 1958, in Volume 931, Page 487 of Official Records of the County of San Luis Obispo, also being the point of beginning of Parcel 2, as described in the deed to the State of California, dated January 29, 1985, and recorded in Volume 2691, Page 124 of Official Records of the County of San Luis Obispo;

- 1) Thence along the south westerly line of said Parcel 2 line N 51°27'30" W, 75.00 feet;
- 2) Thence leaving said line S 18°06'19" W, 221.59 feet;
- 3) Thence S 48°13'27" E, 626.39 feet;
- 4) Thence N 36°09'20" E, 242.03 feet, to the south line of that parcel known as Parcel 1, and described in the deed to the State of California, recorded March 14, 1958, and recorded in Volume 931, Page 487 of Official Records of the County of San Luis Obispo;
- 5) Thence along said south line N 51°20'33" W 566.88 feet;
- 6) Thence continuing along said line N 51°27'30" W 50.76 feet to the point of beginning.

The above-described parcel contains 3.38 acres, more or less.

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Exhibit E to  
Memorandum of  
Agreement Regarding  
East Side "Excluded" Areas

**LEGAL DESCRIPTION OF ROCK ISLETS**

Real property in the City of San Simeon, County of San Luis Obispo, State of California,  
described as follows:

Parcel 1:

Lot 1 of Section 3, Township 26, South, Range 6 East, M.D.M., in the County of San Luis  
Obispo, State of California, according to the official plat thereof.

APN: 011-181-014

Parcel 2:

Lot 1 of Section 23, Township 26 South, Range 6 East, M.D.M., in the County of San Luis  
Obispo, State of California, according to the official plat thereof.

APN: 011-181-015

Parcel 3:

Lots 1 and 2 of Section 24, Township 26 South, Range 6 east, M.D.M. in the County of San Luis  
Obispo, Sate of California, according to the official plat thereof.

APN: 011-181-016

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**END OF DOCUMENT**