

## AGREEMENT OF PURCHASE AND SALE

This Agreement of Purchase and Sale (this "Agreement") dated June 30, 2008 is by and between CA CAMERON PARK L.P. (the "Seller") and the AMERICAN RIVER CONSERVANCY, a nonprofit, 501(c)(3) California public benefit corporation (the "Buyer"). Seller and Buyer together may be referred to collectively hereinafter as the "Parties".

### RECITALS

A. The addresses and telephone numbers of the Parties to this Agreement are as follows: Telephone numbers are included for information only.

#### SELLER:

CA CAMERON PARK L.P.  
Attn: Reza Shera  
P.O. Box 9890  
Rancho Santa Fe, CA 92067  
Tel: (858) 401-9090  
Fax: (858) 756-8330

#### BUYER:

The American River Conservancy  
Attn: Alan Ehgott, Director  
8913 Hwy 49 – P.O. Box 562  
Coloma, CA. 95613  
Tel: (530) 621-1224  
Fax: (530) 621-4818

B. Seller is the owner of that certain real property in El Dorado County, California which consists of four legal parcels and approximately 20.115 acres (APN's: 070-261-77, -79, -80 and -81). Said real property, together with any and all improvements, fixtures, timber, water and minerals located thereon and any and all rights appurtenant thereto including but not limited to timber rights, water rights, grazing rights, access rights and mineral rights, shall be referred to in this Agreement as "the Subject Property". The Subject Property is more particularly described in the First American Title Company Title Report Number 0901-3054349 attached hereto and incorporated herein by reference as "Exhibit A".

C. The Subject Property provides habitat for Stebbin's morning glory (*Calystegia stebbinsii*), Pine Hill ceanothus (*Ceanothus roderickii*) and Layne's butterweed (*Senecio layneae*) which are Federally listed as *endangered* or *threatened* plant species. The Subject Property also provides habitat for El Dorado mule ears (*Wyethia reticulata*) and Red Hills soaproot (*Chlorogalum grandiflorum*) which are candidate species for federal listing. The Subject property has been identified as a first priority acquisition by the U.S. Fish and Wildlife Service within their letter dated May 1, 2008).

D. Protection and preservation of the Subject Property as rare plant and wildlife habitat will assure that this area and its existing features will continue to be available for conservation, habitat values and buffer for wildlife, a significant public benefit for preserving open space against development pressure within the Cameron Park Unit of the Pine Hill Ecological Preserve.

E. It is the intention of the Buyer to acquire the Subject Property and manage the property in the public's interest as Pine Hill Rare Plant Preserve lands and as undeveloped wildlife habitat. However, this intention shall not be construed as a covenant or representation that Buyer shall acquire

the Subject Property and this Agreement is expressly made contingent upon the placement of purchase funding into escrow by El Dorado County, El Dorado Irrigation District, the State Wildlife Conservation Board and/or other funding sources.


F. Seller understands that federal and state laws, regulations and procedures applicable to this Purchase and Sale may involve appraisal review, multiple appraisals, environmental assessments, surveys, hearings, and appeal periods and that there is no certainty that the sale of the Subject Property to Buyer will take place.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Purchase and Sale. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the Subject Property subject and pursuant to the terms and conditions set forth herein.

2. Purchase Price. Seller shall convey and Buyer shall acquire the Subject Property for an all-cash purchase price (the "Purchase Price") equal to the appraised fair market value of three million three hundred twenty thousand dollars (\$3,320,000). The Parties acknowledge that they are relying entirely upon the determination made by the appraiser Christopher P. Ferguson in his appraisal of record dated June 18, 2008 as to the fair market value of the Subject Property. The appraisal is attached herein by reference as "Exhibit B".

At close of escrow the account of Buyer shall be credited with an amount equal to one hundred sixty-six thousand dollars (\$166,000) as a donation for services rendered in the appraisal, acquisition fundraising, agency coordination, monitoring and management of the Subject Property. Seller's net proceeds at close of escrow will therefore equal three million one hundred fifty-four thousand dollars (\$3,154,000) less Seller's share of escrow expense.

  
\_\_\_\_\_  
Seller to initial

3. Deposit. Within fourteen (14) calendar days of the Parties' execution of this Agreement, Buyer shall have deposited with the Escrow Holder (as defined in Section 7 below) for the account of Seller, the amount of one thousand dollars (\$1,000) in cash as the initial deposit (the "Deposit"). The Deposit shall be placed with the Escrow Holder by Buyer. All interest earned on the Deposit shall be attributable to the Purchase Price at closing. In the event the conditions set forth under Section 4 and 5 below are not either satisfied or waived within the specified time periods, the Deposit, together with accrued interest, shall be forfeited by Seller and released to Buyer.

4. Conditions to Closing. Seller's obligation to sell the Conservation Easement to Buyer under this Agreement shall be subject to the occurrence or satisfaction of the following conditions within the specified time periods:

a) the placement by Buyer of all funding into First American Title Company Escrow Account #3054349-NQ necessary to close escrow and record the transfer of the Subject Property on or before August 29, 2008.

b) the approval by both Seller and Buyer within thirty (30) days of this Agreement of the condition and status of the title of the Subject Property which approval shall not be unreasonably withheld. Prior to the signing of this Agreement, Seller has delivered to Buyer the Preliminary Title Report, as defined in Section 9, for Buyer's use and information.

c) a determination by Buyer that no toxic or hazardous materials or substances as determined by all applicable federal, state and local statutes, laws, ordinances, regulations or policies are present on the Subject Property and that there is no condition at, on, under or related to the Subject Property presently or potentially posing a significant hazard to human health or the environment.

d) if any of the conditions set forth at (a) – (c) above are not met within the specified time period, either Party may terminate its obligation to buy or sell the Subject Property, as the case may be by providing written notice to the other party, in which event this Agreement will terminate.

5. Termination. In the event that Buyer determines in its sole discretion that it will be unable for any reason to Purchase the Subject Property from Seller, Buyer may terminate any and all of its obligations under this Agreement, including the acceptance of the Subject Property from Seller, by giving Seller written notice of such termination, in which event the Deposit, together with accrued interest, shall be released to Seller. Thereafter, neither party shall have any further obligations under this Agreement.

#### 6. Condition of the Subject Property.

Buyer expressly acknowledges that prior to close of escrow, it or its agents will have inspected the Subject Property, including its environmental condition, observed the physical characteristics and condition of the Subject property and investigated the legal status thereof. Buyer further acknowledges that neither Seller, nor any of Seller's employees, agents or representatives, have made any expressed or implied representations or warranties, or any agreements, by or on behalf of Seller as to any matters concerning the Subject Property, the present use thereof or the suitability of its intended use of the Subject Property, including, without limitation, exact acreage and boundary lines, existence or location of easements and rights of way, access, historical or present mining activities; water supply and drainage, the suitability of the topography; the availability of utilities (including, without limitation, water, sewer, electricity, gas, phone, and cable services); the present and future zoning, subdivision, building law, rules and regulations and any and all other land use matters; the condition of the soil, subsoil, or groundwater, the purpose(s) to which the Subject Property is suited; drainage; flooding; access to public roads; of proposed routes of roads or extensions thereof.

7. Escrow. The parties have opened escrow account #3054349-NQ with First American Title Company, 670 Placerville Drive, Suite 1-A, Placerville California, CA. 95667, telephone no. (530) 622-3260, fax no. (530) 626-1167, attn: Norma Quigley, escrow officer (the "Escrow Holder") for the purpose of closing escrow and recording the transfer of the Subject Property from Seller to Buyer. The Parties agree that time is of the essence in closing this escrow and shall cooperate in arranging for the closing of escrow between the Seller and Buyer. The Parties shall deliver signed escrow instructions

prior to the close of escrow. The instructions shall not modify or amend this Agreement; provided, however, that the parties shall execute any additional instructions requested by escrow in a manner consistent with the Agreement.

8. Title. Seller shall convey to Buyer the Subject Property subject only to: (a) such easements, encumbrances and reservations as appear in the preliminary title report #0901-3054349 (the "Preliminary Title Report"), issued by the Escrow Holder for title insurance purposes attached hereto and incorporated herein by reference as "Exhibit A"; (b) existing rights-of-way, granted by Federal or State law and/or rights-of-way of record or in use, for roads, utilities, canals, ditches, pipelines, etc., on, over or across the Subject Property; (c) the lien, if any, for non-delinquent real property taxes; (d) the standard printed exceptions on the form of title insurance policy issued pursuant to Section 9; and, (e) any other matters approved by Buyer.

9. Title Insurance. Seller shall provide Buyer with a CLTA standard owner's policy of title insurance insuring that title to the Subject Property is vested in Buyer upon close of escrow subject to the standard exclusions contained in said policy. The premium for the title insurance policy shall be divided equally between the Parties at closing .

10. Representations and Warrantees. Seller and Buyer make the following representations and warrantees:

(a) at the close of escrow, Seller represents and warrants that it will own and will have the power to sell, transfer and convey all right, title and interest in the Subject Property.

(b) Buyer represents and warrants that it has full power and authority to enter into this Agreement and the person(s) signing this Agreement for Buyer have full power and authority to sign for Buyer and to bind it to this Agreement, and to acquire all right, title and interest in and to the Subject Property in accordance with this Agreement. At Seller's request, Buyer shall provide Seller with its articles of incorporation and by-laws, and a corporate resolution and/or other necessary documentation evidencing such power and authority.

(c) Seller represents and warrants that as of the date Seller has executed this Agreement, and throughout the escrow period and at closing, Seller has no intention of filing for protection under the bankruptcy laws of the United States, and Seller shall not have made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature or have been adjudicated bankrupt or have filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under federal bankruptcy law or any other similar law or statute of the United States or any state and no such petition shall have been filed against it.

(d) Seller represents and warrants for itself and for its successors and assigns, that Seller shall not, at any time prior to close of escrow hereunder, subdivide the Subject Property.

(e) Seller represents and warrants that it shall not log, cut, remove or destroy any oak, other tree or plant species on the Subject Property, as of the date the Parties have executed this Agreement.

11. Breach of Representations, Warranties and Covenants. All representations, warranties and covenants made by the Parties as a part of this Agreement ("Representations", "Warranties" and "Covenants") are material and are relied upon by the other party. All Covenants which by their terms or, by their nature are to be performed after the close of escrow, and all Representations and Warranties, shall all be deemed to have been made or affirmed as of the close of escrow and shall survive the close of escrow for a period of six (6) months.

If, before the close of escrow, either party discovers any information or facts that would materially change the Representations, and Warranties and/or performance of the Covenants, said party shall immediately give written notice to the other party of those facts and information. If any of the Representations and Warranties cease to be true during the term of this Agreement or either party has breached any Covenants, the breaching party shall promptly cure, at its sole cost and expense, each and every breach or default of any Representation, Warranty and/or Covenant set forth in this Agreement upon receipt of notice thereof by the other party. The non-breaching party shall have the right, but no obligation, to cure or cause to be cured any such breach or default, at the breaching party's sole cost and expense if, in the non-breaching party's reasonable judgment, the breaching party has failed to promptly or completely cure the same. The reasonable costs of such cure attempted or effected by the non-breaching party shall be reimbursed by the breaching party at close of escrow.

12. Expenses, Taxes and Fees. All escrow, recording and closing fees shall be divided equally between the Parties at closing. Any documentary tax or real property transfer tax arising out of the conveyance of the Subject Property shall be paid by Seller. Any and all other real property taxes shall be prorated between the Parties at closing. The premium for the title insurance policy referred to in Section 9 above shall be divided equally between the Parties at closing.

13. Notices. Any notice, demand, approval, consent, or other communication (collectively "Notice") required or desired to be given under this Agreement in writing shall be given in the manner set forth below, addressed to the Party to be served at the addresses set forth in Recital A, or at such other address for which that Party may have given notice under the provisions of this Section. Any Notice given by: (a) mail shall be deemed to have been given when deposited in the United States mail, first class and postage prepaid; (b) overnight common carrier courier service shall be deemed to be given on the business day (not including Saturday or Sunday) immediately following the date it was deposited with such common carrier; (c) delivery in person or by messenger shall be deemed to have been given upon delivery in person or by messenger; or (d) electronic facsimile shall be deemed to have been given on the earlier of: 1) the date and at the time as the sending party (or such party's agent) shall have received from the receiving party (or such party's agent) oral confirmation of the receipt of such transmission; or 2) one hour after the completion of transmission of the entire communication.

14. Attorney's Fees. If any legal action is brought by either party to enforce any provision of this Agreement, the prevailing party shall be entitled to recover from the other party reasonable attorney's fees and court costs in such amounts as shall be allowed by the court.

15. Remedies Upon Default. In the event Buyer defaults in the performance of any of Buyer's obligations under this Agreement, Seller shall, in addition to any and all other remedies provided

in this Agreement or by law or equity, have the right to recover damages for breach of contract or any other remedy provided in this Agreement, or by law or equity. If Seller defaults in the performance of any of Seller's obligations under this Agreement, Buyer shall have the right to recover damages for breach of contract or any other remedy provided under this Agreement or by law or equity.

16. Tax Deferred Exchange. In the event Seller wishes to enter into a tax deferred exchange for the Subject Property, the Buyer agrees to cooperate with Seller in connection with such exchange, including the execution of such documents as may be reasonably necessary to effectuate such exchange. Notwithstanding such obligation to cooperate however: (a) Buyer shall not be obligated to delay the closing; (b) all additional costs in connection with the exchange will be borne by Seller; and (c) Buyer shall not be obligated to execute any note, contract or other document providing for any liability which would survive the exchange.

17. Time is of the Essence. Time is of the essence of this Agreement.

18. Binding on Successors. This Agreement shall be binding not only upon the Parties but also upon their heirs, personal representatives, assigns, and other successors in interest.

19. Entire Agreement; Modification; Waiver. This Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter contained in it and supercedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing of the party making the waiver.

20. Severability. Each provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision(s) of this Agreement be for any reason unenforceable, the balance shall nonetheless be of full force and effect.

21. Expiration. This Agreement shall expire unless a copy hereof with Seller's written acceptance is delivered to Buyer on or before July 10, 2008.

IN WITNESS of the foregoing provisions the Parties have entered into this Agreement as of the date first set above.

SELLER:  
CA CAMERON PARK L.P.

John Trotter  
By: John Trotter  
Authorized Signatory  
Date: 6/30/08

\_\_\_\_\_  
By  
Date: \_\_\_\_\_

BUYER:  
The American River Conservancy, a non-profit  
501(c)(3) California public benefit corporation.

By: Alan Ehrgott  
Alan Ehrgott

Title: Executive Director

Date: 6/30/08

**Exhibit A**

**The Preliminary Title Report**



**Exhibit B**

**The Appraisal  
Dated June 18, 2008  
By Christopher P. Ferguson  
Ferguson & Associates, Inc.**