

## AGREEMENT

### **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BETWEEN COUNTY OF EL DORADO ("SELLER") AND THE EL DORADO HILLS COMMUNITY SERVICES DISTRICT ("BUYER") FOR A.P.N. 115-400-002-000, LOCATED IN EL DORADO COUNTY, CALIFORNIA**

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") is made and entered into by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California ("County" or "Seller"), and **THE EL DORADO HILLS COMMUNITY SERVICES DISTRICT** ("Buyer"). Buyer and Seller together may be referred to collectively hereinafter as the "Parties".

#### RECITALS

- A. Seller owns one (1) parcel of real property totaling approximately 41.70 acres of land, located in the County of El Dorado, known as Assessor's Parcel Number 115-400-002-000 (no physical address), a legal description of which is attached hereto and incorporated herein by reference as Exhibit "A" (the "Property").
- B. On April 2, 2019, the El Dorado County Board of Supervisors designated the Property as surplus property, excluding a 100 foot strip of land necessary to connect Bass Lake Road to Silver Springs Parkway;
- C. Pursuant to the authority granted by Government Code § 25365(a) and upon the terms and conditions set forth herein, Seller desires to sell and Buyer desires to acquire the Property.

**NOW THEREFORE** in consideration of the mutual covenants and conditions herein contained, the parties hereto agree as follows.

#### AGREEMENT

1. **Purchase and Sale.** Upon and subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller the Property. In consideration of Seller's sale of the Property, Buyer will (a) pay to Seller the Purchase Price at the Close of Escrow, and (b) perform all of Buyer's other obligations hereunder.
2. **Purchase Price.** The Purchase Price for the Property shall be Two Hundred and Fifty Thousand Dollars (\$250,000.00) (the "Purchase Price").
3. **Opening of Escrow.** Seller has opened escrow (the "Escrow"), with Placer Title Company, 175 Placerville Dr., Placerville, CA 95667 ("Escrow Holder") escrow number

P-356002 . This Agreement shall, to the extent possible, act as escrow instructions. The Parties shall execute all further escrow instructions required by Escrow Holder. All such further escrow instructions, however, shall be consistent with this Agreement, which shall control.

#### **4. Close of Escrow**

4.1 Definition. For purposes of this Agreement, the “Close of Escrow” or the “Closing” is the recordation of the Grant Deed from the Seller to Buyer conveying fee simple title for the Property. Seller and Buyer agree to deposit in escrow all instruments, documents, writings, and monies identified or required to close escrow. Escrow shall close when Escrow Holder is in a position to: (a) record the executed Grant Deed to the Property in favor of Buyer; (b) deliver a California Land Title Association (“CLTA”) Owner’s Policy of Title Insurance issued to Buyer; and (c) deliver the Purchase Price to Seller.

4.2 Closing Date. The Close of Escrow shall occur on or before 120 days after the effective date of this Agreement.

4.3 Cancellation. If the Closing does not occur by the Closing Date due to a default by one of the Parties the Party not then in default under this Agreement may notify the other Party and Escrow Holder in writing that, unless the Closing occurs within five (5) business days following said notice, the Escrow shall be deemed cancelled without further notice or instructions. If both Parties are in default and the Close of Escrow does not occur by the Closing Date, the Escrow shall be cancelled. All escrow costs of cancellation, if any, will be paid by the defaulting party, or split if both Parties are in default.

#### **5. Exception and Easement Reservation**

5.1 Seller grants the Property to Buyer excepting two areas for future road improvement and construction purposes. The exceptions are as follows and are attached to the Grant Deed which is attached to this Agreement as Exhibit B.

- a. Seller shall retain fee title of the areas as shown in Exhibit A to the attached Grant Deed for the future widening and construction of Bass Lake Road.
- b. Seller shall retain a Temporary Construction Easement as shown in Exhibit A1 to the attached Grant Deed for the construction of the County’s Silver Springs Parkway Project CIP No. 76108 (Project). This easement will be used to provide a construction staging area for said Project and shall not expire until the Notice of Completion for the Project is recorded, plus a one-year warranty period.

#### **6. Items to be Delivered at Close of Escrow**

6.1 By Seller. Seller shall execute and deliver to Escrow Holder for delivery to Buyer (a) a Grant Deed in recordable form conveying a fee simple title to the Property, including oil,

mineral and water rights if currently owned by Seller; and (b) a CLTA Owner's Policy of Title Insurance showing that marketable fee title to the Property is vested in Buyer subject only to the "Permitted Exceptions" (as defined in Section 8.2 below).

6.2 By Buyer. Buyer shall deliver to the Escrow Holder for delivery or disbursement at Close of Escrow, funds in an amount equal to those shown in Section 2, plus Buyer's share of costs, fees and expenses to be borne by Buyer pursuant to this Agreement.

## 7. Contingencies to Close of Escrow

7.1 Conditions Precedent to Buyer's Obligations. The Close of Escrow and Buyer's obligations with respect to the transactions contemplated by this Agreement are subject to the following contingencies, which must be satisfied (or waived in writing by the Buyer) by the Closing Date or by the expiration of the Contingency Period if so specified below:

a. Title Insurance and Title Report

The Title Company shall be in a position to provide to Buyer a CLTA Owner's Policy of Title Insurance insuring Buyer in an amount equal to the Purchase Price showing that the marketable fee title to the Property is vested in Buyer, subject only to the Permitted Exceptions together with any extended coverage and/or endorsements that the Title Company has agreed to issue in writing prior to the end of the Contingency Period. Buyer and Seller shall split the cost of the CLTA Title Policy 50/50. If Buyer elects to have an American Land Title Association ("ALTA") Extended Coverage Owner's Policy of Title Insurance, and/or any endorsements to the title policy, then Buyer shall pay for the cost difference between the CLTA and ALTA policy and/or such endorsements.

b. Inspections and Studies. During the Contingency Period, (A) Buyer shall have the right to conduct any and all inspection and evaluations of the Property to Buyer's satisfaction; and (B) Buyer shall have determined that the Property is clean of contamination, toxic and/or hazardous materials, to Buyer's satisfaction. In the event that inspection finds that remediation is necessary, Buyer may cancel this Agreement at any time prior to the expiration of the Contingency Period.

c. Representations, Warranties and Covenants of Seller. As of the Close of Escrow, Seller will have duly and materially performed each and every obligation to be performed by Seller hereunder in all material respects; and Seller's express representations and warranties set forth in this Agreement will be true and correct as of the Closing Date in all material respects.

d. Seller's Deliveries. As of the Close of Escrow, Seller will have delivered all the items described in Section 7.1(a).

The conditions set forth in this Section 7.1 are solely for the benefit of Buyer and may be waived only by Buyer, with such waiver to be in writing to Seller. In the event any of the foregoing conditions are neither satisfied nor waived by Buyer prior to the prescribed time

period, then Buyer shall deliver written notice thereof and of Buyer's election to terminate this Agreement to Seller and Escrow Holder, stating upon which of the above conditions Buyer is basing its election to terminate, on or before the applicable date listed in such condition ("Buyer's Termination Notice"). Upon termination of this Agreement, all rights, obligations, and liabilities of Seller and Buyer under this Agreement shall terminate (except for any provisions that expressly survive the termination of this Agreement pursuant to Section 10.10).

**7.2 Conditions Precedent to Seller's Obligations.** The Close of Escrow and Seller's obligations with respect to this transaction are subject to the following conditions precedent Buyer's delivery to Escrow Holder, on or before the Closing Date, the Purchase Price and the other items described in Section 6.2.

The conditions set forth in this Section 7.2 are solely for the benefit of Seller and may be waived only by Seller, with such waiver to be in writing to Buyer.

## **8. Contingency Period**

**8.1 Contingency Period.** Buyer shall be entitled to twenty-one (21) days from full execution of this Agreement ("Contingency Period") to conduct any and all physical, economic and environmental inspections, investigations, tests and studies of the Property. Such evaluations may include, but are not limited to the following: phase I and phase II environmental surveys as needed, physical inspection, soils and groundwater tests, soil compaction tests, other engineering feasibility studies, review of any and all governmental regulations, improvement obligations to Buyer's satisfaction, investigation of the suitability of the Property for Buyer's purposes, and such other due diligence as Buyer desires.

**8.2 Right of Entry.** During the Contingency Period, or as extended, Buyer shall have the right, from time to time, at its own sole cost, expense, risk, and hazard, and in all such manner as it may reasonably determine, without material damage being imposed upon the Property, to enter upon the Property to make, or cause to be made, engineering findings in respect thereto, including without limitation, surveying, conducting test borings in order to determine subsoil conditions of ledge, peat or other soft materials, and in general, conducting other soil tests, analyses, and studies of the Property necessary to perform the evaluations described in Section 7.1 above. Buyer shall not make nor cause to be made any invasive or destructive testing without the prior written consent of Seller. Buyer will notify Seller, at least two (2) business days in advance of the dates of all tests and investigation and will schedule all test and investigation during normal business hours whenever feasible unless otherwise requested by Seller. Seller shall have the right to be present at any such inspections or testing. Buyer shall restore the Property to its original condition immediately after any and all testing and inspections conducted by or on behalf of Buyer and Buyer will take all steps necessary to ensure that any conditions on the Property created by Buyer's testing will not interfere with the normal operation of the Property or create any dangerous, unhealthy, unsightly, or noisy conditions of the Property. Buyer hereby indemnifies and holds Seller harmless from any and all costs, loss, damages or expenses of any kind or nature arising out of or resulting from any entry and/or activities upon the Property by Buyer and/or Buyer's agents, employees, contractors or consultants except for liabilities, claims, actions, losses, injuries, damages, or expenses arising



out of or related to the negligence, recklessness, or willful misconduct of Seller, Seller's agents, employees, contractors, or representatives.

8.3 Seller's Documents. Within five (5) business days from Seller executing this Agreement, Seller shall deliver to Buyer copies of any architectural drawings, and all building permits, soil tests, surveys, engineering studies, and other similar documents in Seller's possession relating to the Property in order to assist Buyer in its feasibility study. Buyer specifically acknowledges and agrees that the Seller has made no representation or warranty of any nature concerning the accuracy or completeness of any documents delivered or made available for inspection by Seller to Buyer ("Due Diligence Documents"), and that Buyer has undertaken such inspections of the Property as Buyer deems necessary and appropriate and that Buyer is relying solely upon such investigations and not on any of the Due Diligence Documents or any other information provided to Buyer by or on behalf of Seller. As to the Due Diligence Documents, Buyer specifically acknowledges that they have been prepared by third parties and Buyer acknowledges and agrees that no warranty or representation, express or implied, has been made, nor shall any be deemed to have been made, to Buyer with respect thereto, either by Seller or by any third parties that prepared the same.

8.4 Contingency Removal Form. Buyer shall in writing remove contingencies at the end of the twenty one (21) day Contingency Period.

## 9. Title Insurance

9.1 Preliminary Title Report. Buyer has been provided a Preliminary Title Report from Placer Title Company by Seller.

9.2 Buyer shall take title to the Property subject to the exceptions listed in said Preliminary Title Report dated August 29, 2019

9.3 Title Insurance. Upon the Close of Escrow, Seller and Buyer shall direct the Title Company to provide Buyer with a CLTA standard owner's policy of title insurance insuring that title to the Property is vested in Buyer subject to the listed Exceptions.

## 10. Seller's Representations and Warranties. Seller represents and warrants that:

10.1 Seller owns the Property, free and clear of all liens, licenses, claims, encumbrances, easements, and encroachments on the Property from adjacent properties, encroachments by improvements on the Property onto adjacent properties, and is not aware of rights of way of any nature, not disclosed by the public record, and, at Close of Escrow, will have the power to sell, transfer and convey all right, title and interest in the Property.

10.2 Seller has no knowledge of any pending litigation involving the Property.

10.3 Seller has no knowledge of any violations of, or notices concerning defects or noncompliance with, any applicable code, statute, regulation, or judicial order (including, but not limited to, fire protection) pertaining to the Property.

10.4 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.

10.5 To the best of Seller's knowledge, the Property is not in violation of any federal, state or local law, ordinance or regulation relating to the environmental conditions on, under, or about the Property, including, but not limited to, soil and groundwater contamination.

10.6 Except as otherwise disclosed herein and/or in Seller's Documents and/or in the following sentence, to the best of Seller's knowledge, there are no Hazardous Materials on the Property and Seller has not caused any release, use, generation, discharge, storage or disposal of any Hazardous Materials on, in, under, or otherwise affecting all or any portion of the Property in violation of applicable law.

As used herein, the term "Hazardous Materials" shall mean any hazardous or toxic substance, material, sewage, or waste which is regulated, controlled or prohibited by statute, rule, regulation, decree or order of any governmental authority, the State of California, or the United States government currently in effect. The term "Hazardous Material" includes, without limitation, any material or substance which is (a) defined as "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Sections 25115, 25117, or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, Chapter 6.5, sections 25100 et seq., (hazardous waste Control Law); (b) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 ("CPTHSAA Act"); (c) defined as "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Health and Safety Code, Division 20, Chapter 6.95 (Hazardous Material release Response Plans and Inventory Act); (d) defined as "hazardous substance" under Section 25821 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances); (e) petroleum; (f) asbestos; (g) listed under Article 9 or defined as hazardous or extremely hazardous pursuant to Article 11, of Title 22 of the California Administrative Code, Division 4, Chapter 20; (h) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. 1321); (i) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903); (j) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization act of 1986, 42 U.S.S. Section 9601 et seq. (42 U.S.C. Section 9601) ("CERCLA"); or (k) defined as a "waste" under the California Porter-Cologne Water Quality Control Act, section 13050 of the California Water Code.

10.7 To the best of Seller's knowledge there are no oral or written leases, rental agreements, service contracts or other related agreements, licenses, and permits affecting all or any portion of the Property.

10.8 To the best of Seller's knowledge, the Property has never been developed in any way for industrial, commercial or residential purposes.

10.9 In the event Seller, prior to Close of Escrow, becomes aware of adverse conditions materially affecting the Property, any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items.

10.10 All representations, warranties, covenants, and other obligations described in this Agreement shall survive the delivery of the Grant Deed or the termination of this Agreement, as applicable.

10.11 Except for the foregoing, Buyer acknowledges that the entire Property including all improvements is being accepted "as is" in its existing condition and with all faults, including without limitation, any faults and conditions specifically referenced in this Agreement.

**11. Seller's Pre-Closing Covenants.** So long as this Agreement remains in full force and effect:

11.1 Without the prior written consent of Buyer, Seller will not convey any interest in the Property and will not subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters after the Effective Date which will not be eliminated prior to the Close of Escrow, other than as may be required by any applicable government or quasi-governmental authority or by a provider of utility services and except as may be otherwise provided for in this Agreement.

11.2 Seller will not make any material alterations to the Property without Buyer's consent, which consent will not be unreasonably withheld or delayed. Seller will maintain the Property in substantially the same condition as of the Effective Date.

11.3 Seller will keep and perform all of the obligations to be performed by Seller under any contracts entered into by Seller providing for the provision of good or services to or with respect to the Property or the operation thereof. After the Effective Date, Seller will not enter into any contract or agreement providing for the provision of goods or services to or with respect to the Property or the operation thereof unless such contracts or agreements can be terminated by the Closing Date, without the prior written consent of Buyer, which consent will not be unreasonably withheld or delayed. Seller will not enter into any leases for any portion of the Property without Buyer's written consent, which consent will not be unreasonably withheld or delayed.

**12. Expenses and Fees.** The Property is not currently subject to real estate taxes, therefore prorations and withholdings do not apply. This sale is exempt from any city, county and state documentary transfer taxes.

12.1 Seller will pay:

- a. 1/2 The premium for the CLTA title insurance policy;
- b. 1/2 of all escrow fees and other recording charges;

12.2 Buyer will pay:

- a. 1/2 The premium for the CLTA title insurance policy;
- b. 1/2 of all escrow fees and other recording charges;
- c. All costs and requirements for any extended coverage and/or endorsements to the title policy arranged by Buyer.

12.3 Except as otherwise set forth herein, Buyer and Seller will each pay all legal and professional fees and fees of other consultants incurred by Buyer and Seller respectively. All other normal costs and expense of the Escrow will be allocated between Buyer and Seller in accordance with the customary practice in the county in which the Property is located.

**13. Disbursements and Other Actions by Escrow Holder.** At the Close of Escrow, Escrow Holder will promptly undertake all of the following:

13.1 Funds. Disburse all funds deposited with Escrow Holder by Buyer in payment of the final Purchase Price for the Property as follows:

- a. Deliver to Seller the final Purchase Price, less the amount of all items, costs, and prorations chargeable to the account of Seller; and
- b. Disburse the remaining balance, if any, of the funds deposited by Buyer to Buyer, less amounts chargeable to Buyer.

13.2 Recording. Cause the Grant Deed (with documentary transfer tax information to be affixed) to be recorded with the County Recorder for the county in which the Property is located and obtain conformed copies therefor for distribution to Buyer and Seller.

13.3 Title Policy. Direct the Title Company to issue Title Policy to Buyer.

13.4 Delivery of Documents to Buyer or Seller. Deliver to Buyer documents (or copies thereof) deposited into Escrow by Seller. Deliver to Seller any other documents (or copies thereof) deposited into Escrow by Buyer.

14. Time is of the Essence. Time is of the essence of this Agreement. This Agreement may not be extended, modified, altered, or changed except in writing signed by Buyer and Seller. In the event that any date specified in this Agreement falls on Saturday, Sunday or a Holiday (as defined in Section 6700 of the California Government Code) (each a "Non-Business Day"), such date shall be deemed to occur on the next business day. For purposes of this Agreement, a "business day" shall mean a day other than a Non-Business Day.

15. Notices. All communications and notices required or permitted by this Agreement shall be given in writing in the manner set forth below, addressed to the party to be served at the addresses written below, or at such other address for which that party may have given notice under the provisions of this Section. Any notice or communication given by (a) mail shall be deemed to have been given four business days after it is deposited in the United States mail with proof of mailing, first class and postage prepaid; (b) overnight common carrier courier service shall be deemed to be given on the business day (not including Saturday) 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 or email shall be deemed to have been given on the date of transmission of the entire communication, provided that (i) such transmission occurs during 8:00 a.m. and 5:00 p.m., California time, on business days, and (ii) the sending party sends a hard copy of the original transmitted document(s) following the electronic transmission, by one of the methods described in subsections (a), (b) or (c) above.

SELLER: El Dorado County  
Dept. of Transportation  
Attn: ROW Unit for Facilities Dept.  
2850 Fairlane Ct.  
Placerville, CA 95667

BUYER: El Dorado Hills Community Services District  
Attn: Kevin Loewen, General Manager  
1021 Harvard Way  
El Dorado Hills, CA 95762

16. Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties to this Agreement, their heirs, personal representatives, successors, and assigns, except as otherwise provided in this Agreement.


17. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action brought to enforce the provisions of this Agreement shall be brought in the Superior Court of the County of El Dorado.

18. **Headings.** The headings of the articles and sections of this Agreement are inserted for convenience only. They do not constitute part of this Agreement and shall not be used in its construction.
19. **Waiver.** The waiver by any party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach of that or any other provision of this Agreement.
20. **Attorney's Fees.** In any action or proceeding at law or in equity brought to enforce any provision of this Agreement, the prevailing party shall be entitled to all reasonable attorney's fees, costs, and expenses incurred in said action or proceeding.
21. **Severability.** In the event that any provision of this Agreement shall be adjudicated void, illegal, invalid, or unenforceable, the remaining terms and provisions of this Agreement shall remain in full force and effect.
22. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof. No amendment, supplement, modification, or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. This Agreement shall not be strictly construed for or against any party.
23. **Warranty of Authority.** The Parties to this Agreement warrant and represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties the obligations set forth herein.
24. **County Contract Administrator.** The County officer or employee with responsibility for administering this Agreement is Rafael Martinez, DOT Director, or successor.
25. **Third Party Beneficiaries.** This Agreement is made and entered into for the sole benefit and protection of the parties hereto. No condition, covenant, waiver or release contained herein made or given by Seller or Buyer is intended to run to the benefit of any person not a party to this Agreement unless otherwise expressly set forth herein.
26. **Assignment.** Buyer shall not assign this Agreement without Seller's prior written consent.
27. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, including copies sent to a party by facsimile transmission or in portable document format (pdf), but which together shall constitute one and the same instrument.

IN WITNESS HEREOF, the Parties hereto have signed this Agreement as of the date last written below ("Effective Date").



**BUYER: El Dorado Hills Community Services District**

Date: 12-12-2019 By:   
Signature  
Kevin A Loewen  
Print Name  
GENERAL MANAGER  
Title

**SELLER: County of El Dorado**

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Sue Novasel, Chair  
Board of Supervisors

ATTEST:  
Clerk of the Board of Supervisors

By: \_\_\_\_\_  
Deputy Clerk

## Exhibit "A" Legal Description

The land described herein is situated in the State of California, County of El Dorado, unincorporated area, described as follows:

ALL THAT PORTION OF SECTIONS 31 AND 32, TOWNSHIP 10 NORTH, RANGE 09 EAST, M.D.B.&M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 32; THENCE FROM SAID POINT OF BEGINNING SOUTHEASTERLY IN A STRAIGHT LINE TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 32; THENCE CONTINUING ALONG THE SOUTHEASTERLY EXTENSION OF SAID LINE TO THE WEST LINE OF BASS LAKE ROAD; THENCE IN A SOUTHWESTERLY DIRECTION ALONG SAID BASS LAKE ROAD TO THE WEST LINE OF THE EAST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 32; THENCE ALONG THE WEST LINE OF SAID EAST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER TO THE NORTHWEST CORNER THEREOF; THENCE NORTHWESTERLY IN A STRAIGHT LINE TO THE SOUTHEAST CORNER OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 31; THENCE ALONG THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 31 TO THE SOUTHWEST CORNER THEREOF; THENCE NORTH ALONG THE WEST LINE OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 31, TO THE NORTHWEST CORNER THEREOF, BEING ON THE SECTION LINE BETWEEN SECTIONS 30 AND 31, SAID TOWNSHIP AND RANGE, THENCE ALONG SAID SECTION LINE EAST TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN A FENCE LINE, THE NORTHWEST CORNER OF THE PARCEL HEREIN DESCRIBED, FROM WHENCE THE NORTHWEST CORNER OF SAID SECTION 32, BEARS NORTH 45 DEG 00' WEST 1417.53 FEET; THENCE FROM SAID POINT BEGINNING ALONG A EXISTING FENCE LINE SOUTH 45 DEG 00' EAST 476.92 FEET TO A 3/4 INCH OPEN IRON PIPE; THENCE SOUTH 03 DEG 06' 30" WEST 214.19 FEET TO A SIMILAR 3/4 INCH OPEN IRON PIPE IN A FENCE LINE OF THE WESTERLY LINE OF BASS LAKE ROAD; THENCE NORTH 59 DEG 06' 50" WEST 401.66 FEET; THENCE NORTH 03 DEG 10' EAST 345.46 FEET TO THE POINT OF BEGINNING.

APN: 115-400-002-000