

EXHIBIT A

AGREEMENT OF PURCHASE AND SALE (2015)

This Agreement of Purchase and Sale (this "Agreement") dated March 2, 2015 is by and between: Linda E. Street, Trustee of the Street Family Trust; Wendy S. Wythe, Trustee of the Wendy Susan Wythe Revocable Trust; Douglas and Marchelle Phimister; and David and Melode Weiner (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:

Linda E. Street, Trustee of the
Street Family Trust
35675 County Road 31
Davis, CA 95616-9430
Tel: (530) 756-1611

Wendy Susan Wythe Revocable Trust
Wendy S. Wythe, Trustee
P.O. Box 1047
Pollock Pines, CA 95726
Tel: (530) 306-7000
Email: wendy@wythedesigns.com

Douglas and Marchelle Phimister
P.O. Box 298
Shingle Springs, CA 95682
Tel and Fax: 530-677-7375

David and Melode Weiner
3350 Country Club Drive, Suite 202
Cameron Park, CA 95682
Tel: (530) 677-9487

BUYER:

The American River Conservancy
Attn: Alan Ehrgott, Executive Director
348 Hwy 49 – P.O. Box 562
Coloma, CA 95613-0562
Tel: (530) 621-1224
Email: ehrgott@arconservancy.org

B. Seller is the owner of that certain real property in El Dorado County, California which consists of one legal parcel and approximately 126.157 acres (APN: 070-011-48). Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller a 22.165 acre undeveloped portion of this parcel. Said real property, together with all 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 legal description and map attached hereto and incorporated herein by reference as "Exhibit A" and the First American Pro-Forma Policy No. 5004700 attached hereto and incorporated herein by reference as "Exhibit B".

C. It is the intention of Buyer to acquire the Subject Property through direct transfer to the State of California Department of Fish and Wildlife ("DFW") which will own and manage the property in the public's interest as rare plant and wildlife habitat.

D. 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 22.165 acre Subject Property for an all-cash purchase price (the "Purchase Price") equal to the appraised fair market value of four hundred ninety-nine thousand dollars. (\$499,000.00). The Parties acknowledge that they are relying entirely upon the determination made by the appraiser, Myron R. Harrison MAI in his appraisal of record dated October 18, 2014 as to the fair market value of the Subject Property. The appraisal is attached herein by reference as "Exhibit C".

At close of escrow the account of Buyer shall be credited with an administrative fee for services rendered in the securing of appraisals and purchase funding, property division, agency coordination, and escrow procedures, supporting the purchase and sale of the Subject Property equal to fifty-five thousand dollars (\$55,000.00). Seller's proceeds at close of escrow will therefore equal four hundred forty-four thousand dollars (\$444,000) less Seller's share of escrow expense ("Seller's Net Proceeds").

Seller's Net Proceeds will be distributed as follows: the Wendy Susan Wythe Revocable Trust will receive 54.884% of Seller's Net Proceeds; David and Melode Weiner will receive 31.581% of Seller's Net Proceeds and Douglass and Marchelle Phimister will receive 13.535% of the Seller's Net Proceeds. Linda E. Street will not receive a cash distribution from the sale of the Subject Property. In lieu of a cash distribution the share of Linda E. Street's percentage ownership of the remainder 103.992 acre parcel shall increase to 67.894%. Following the close of escrow, the Wendy Susan Wythe Revocable Trust shall retain 9.616% ownership of the remainder; David and Melode Weiner shall retain 22.490% ownership of the remainder; and Douglas and Marchelle Phimister ownership of the remainder will be reduced to 0.000%.

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 8 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 subject property 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 4057100-JT necessary to close escrow and record the transfer of the Subject Property on or before June 30, 2015.
- 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. Right of First Refusal. Seller has the right to offer the property for sale on the open market. If Seller receives a purchase offer in excess of \$499,000 from a 3rd party, then Seller will provide a written copy of that 3rd party offer to Buyer (the American River Conservancy), and provide Buyer with a fourteen (14) day period in which to place all purchase funding into escrow necessary to match the 3rd party offer and close escrow. If Buyer is unable to match the 3rd party offer within this fourteen day period, then all further obligations under this Agreement shall terminate and Seller shall release the Deposit, together with accrued interest, to Buyer.

6. 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.

7. 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.

8. Escrow. The parties have opened escrow account #4057100-JT with First American Title Company, 670 Placerville Drive #1A, Placerville, California, CA 95667, telephone no. (530) 622-3260, fax no. (888) 320-4278, attn: Janice Thompson, escrow officer (the "Escrow Holder") for the purpose of closing escrow and recording the transfer of the Subject Property from Seller to the United States of America, Bureau of Land Management. 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.

9. Title. Seller shall convey to United States of America, Bureau of Land Management the Subject Property subject only to: (a) the approval by El Dorado County; (b) such easements, encumbrances and reservations as appear in the preliminary title report #4057100 (the "Preliminary Title Report"), issued by the Escrow Holder for title insurance purposes attached hereto and incorporated herein by reference as "Exhibit A"; (c) 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; (d) the lien, if any, for non-delinquent real property taxes; and, (e) the standard printed exceptions on the form of title insurance policy issued.

The close of escrow shall be conditioned upon the Seller's review and satisfaction that it will maintain and preserve an equivalent easement capacity for road and utility purposes to support the future subdivision and development of the remainder property.

10. Title Insurance. Seller shall provide to the United States of America, Bureau of Land Management a USA ALTA policy of title insurance insuring that title to the Subject Property is vested in the United States of America, Bureau of Land Management upon close of escrow subject to the standard exclusions contained in said policy. The premium for the title insurance policy shall be paid as shown in Section 13.

11. Representations and Warranties. Seller and Buyer make the following representations and warranties:

(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. 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.

12. 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.

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.

13. Expenses, Title Insurance and Fees. All escrow, recording, title insurance premium and closing fees shall be paid as follows: Buyer shall pay 50%, David and Melode Weiner shall pay 19.175% and Wendy Wythe shall pay 30.825% at closing. David and Melode Weiner shall pay 38.349% and Wendy Wythe shall pay 61.651% of any documentary tax arising out of the conveyance

of the Subject Property. Buyer and Seller shall pay their respective shares of prorated real property taxes.

14. 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.

15. 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.

16. 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.

17. 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.

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

19. 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.

20. 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.

21. 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.

22. Expiration. This Agreement shall expire unless a copy hereof with Seller's written acceptance is delivered to Buyer on or before March 15, 2015.

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

SELLER:
Linda E. Street, Trustee of the
Street Family Trust

Linda E. Street
By: _____

Date: March 3, 2015

Wendy S. Wythe, Trustee of the
Wendy Susan Wythe Revocable Trust

By: Wendy S. Wythe, Trustee

Date: _____

Douglas Phimister

By: _____

Date: _____

Marchelle Phimister

By: _____

Date: _____

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

By: Alan Ehrgott

Title: Executive Director

Date: 03/02/2015

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.

21. 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.

22. Expiration. This Agreement shall expire unless a copy hereof with Seller's written acceptance is delivered to Buyer on or before March 15, 2015.

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

SELLER:

Linda E. Stree, Trustee of the Street Family Trust

By: _____

Date: _____

Wendy S. Wythe, Trustee of the Wendy Susan Wythe Revocable Trust

By: _____

Date: _____

Douglas Phinister

By: Douglas Phinister

Date: 3/2/15

Marchelle Phinister

By: Marchelle Phinister

Date: 3/2/15

BUYER:

The American River Conservancy, a non-profit 501(c)(3) California corporation

By: Alan F. Fagan

Alan F. Fagan

Title: Executive Director

Date: 03/02/2015

DRAFT

Melode Weiner

By: Melode Weiner

Date: 3/3/15

David Weiner

By: David Weiner

Date: 3-3-2015

DRAFT

Exhibit A

**Map and Legal Description of the
Subject 22.165 acres to be Purchased
And Transferred to the
State Department of Fish and Wildlife**

DRAFT

EXHIBIT "A"

All that real property situated in the County of El Dorado, State of California described as follows:

A portion of "Tract 1" as delineated on that certain Record of Survey filed on October 3, 1990 in Book 17 of Record of Survey at Page 134 in the El Dorado County Recorder's Office, also being a portion of Section 27, Township 10 North, Range 9 East, M.D.M., more particularly described as follows:

Beginning at the southeast corner of said "Tract 1", also being the Northeast corner of Lot 117 delineated on that certain subdivision map entitled "CAMEON VALLEY ESTATES UNIT 3" filed on November 20, 2001 in Book I at Page 116 in the El Dorado County Recorder's Office;

Thence along the east boundary of said "Tract 1" North 00° 12' 16" East, 1326.79 feet;

Thence leaving said east boundary South 64° 56' 56" West, 1155.09 feet;

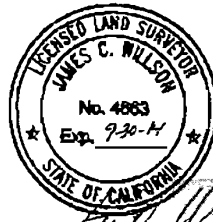
Thence South 20° 27' 53" West, 158.60 feet;

Thence South 33° 34' 25" East, 136.15 feet to a point on the Northerly boundary of said "CAMEON VALLEY ESTATES UNIT 3".

Thence along the boundary of said "CAMEON VALLEY ESTATES UNIT 3" the following Six courses:

1. North 51° 34' 55" East, 106.93 feet;
2. South 29° 29' 24" East, 206.01 feet;
3. South 26° 40' 13" East, 321.50 feet;
4. South 17° 42' 33" East, 145.57 feet;
5. South 00° 55' 43" East, 34.51 feet;
6. South 89° 47' 44" East, 647.52 feet to the point of beginning.

Containing 22.165 acres more or less.



James C. Willson
10-3-14

Cameron Meadows



American River Conservancy
February 11, 2013

0 0.05 0.1 0.2 Miles

Exhibit B

**First American Title Company
Pro-Forma Policy Number 5004700**

DRAFT



First American Title

United States of America
Policy of Title Insurance

ISSUED BY

First American Title Insurance Company

POLICY NUMBER

5004700-pro-forma policy

Owner's Policy

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, **First American Title Insurance Company**, a Nebraska corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land;
5. In instances where the insured acquires title to the land by condemnation, failure of the commitment for title insurance, as updated to the date of the filing of the *lis pendens* notice or the Declaration of Taking, to disclose the parties having an interest in the land as disclosed by the public records.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

In Witness Whereof, **FIRST AMERICAN TITLE INSURANCE COMPANY** has caused its corporate name to be hereunto affixed by its authorized officers as of Date of Policy shown in Schedule A.

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

(This Policy is valid only when Schedules A and B are attached)

This jacket was created electronically and constitutes an original document

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EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluded from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under the policy;
 - (c) resulting in no loss or damage to the insured claimant; or
 - (d) attaching or created subsequent to Date of Policy.
4. This policy does not insure against the invalidity or insufficiency of any condemnation proceeding instituted by the United States of America, except to the extent set forth in insuring provision 5.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.
- (g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to

CONDITIONS AND STIPULATIONS (Continued)

the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

- (a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured by this policy.
- (b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.
- (d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining

witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute or continue any litigation, with regard to the matter or matters requiring such cooperation.

- (e) Notwithstanding Conditions and Stipulation Section 4(a-d), the Attorney General of the United States shall have the sole right to authorize or to undertake the defense of any matter which would constitute a claim under the policy, and the Company may not represent the insured without authorization. If the Attorney General elects to defend at the Government's expense, the Company shall, upon request, cooperate and render all reasonable assistance in the prosecution or defense of the proceeding and in prosecuting any related appeals. If the Attorney General shall fail to authorize and permit the Company to defend, all liability of the Company with respect to that claim shall terminate; provided, however, that if the Attorney General shall give the Company timely notice of all proceedings and an opportunity to suggest defenses and actions as it shall recommend should be taken, and the Attorney General shall present the defenses and take the actions of which the Company shall advise the Attorney General in writing, the liability of the Company shall continue and, in any event, the Company shall cooperate and render all reasonable assistance in the prosecution or defense of the claim and any related appeals.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage. In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized

CONDITIONS AND STIPULATIONS (Continued)

representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Unless prohibited by law or governmental regulation, failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) Subject to the prior written approval of the Attorney General, to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs 6(b)(i) or (ii), the

Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation. Failure of the Attorney General to give the approval called for in 6(b)(i) shall not prejudice the rights of the insured unless the Company is prejudiced thereby, and then only to the extent of the prejudice.

7. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

- (a) The liability of the Company under this policy shall not exceed the least of:
- (i) the Amount of Insurance stated in Schedule A; or
 - (ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by the policy.
- (b) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule [A][C] consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

- (a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.
- (c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

CONDITIONS AND STIPULATIONS (Continued)

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE.

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

- (a) No payment shall be made without producing this policy or an accurate facsimile for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, the act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding

any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy

(c) No Subrogation to the Rights of the United States.

Notwithstanding the provisions of Conditions and Stipulations Section 13(a) and (b), whenever the Company shall have settled and paid a claim under this policy, the Company shall not be subrogated to the rights of the United States. The Attorney General may elect to pursue any additional remedies which may exist, and the Company may be consulted. If the Company agrees in writing to reimburse the United States for all costs, attorneys' fees and expenses, to the extent that funds are recovered they shall be applied first to reimbursing the Company for the amount paid to satisfy the claim, and then to the United States.

14. ARBITRATION ONLY BY AGREEMENT.

Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters shall be arbitrated only when agreed to by both the Company and the insured.

The law of the United States, or if there be no applicable federal law, the law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules. A copy of the rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

- (a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.
- (c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at **FIRST AMERICAN TITLE INSURANCE COMPANY, Attn: Claims National Intake Center, 1 First American Way, Santa Ana, California 92707. Phone: 888-632-1642.**



First American Title

**United States of America
Policy of Title Insurance**

ISSUED BY

First American Title Insurance Company

POLICY NUMBER

pro-forma policy

Schedule A

File No.: 0901-4057100

Amount of Insurance: \$499,000.00

Premium: \$TBD

Date of Policy: TBD

1. Name of Insured: State of California Department of Fish and Wildlife

2. The estate or interest in the land which is covered by this policy is:

Fee Simple.

3. Title to the estate or interest in the land is vested in:

State of California Department of Fish and Wildlife

4. The land referred to in this policy is situated in the County of: El Dorado

State of CA, and is described as follows:

Real property in the unincorporated area of the County of El Dorado, State of California, described as follows:

PARCEL ONE:

All that real property situated in the County of El Dorado, State of California, described as follows:

A portion of "Tract 1" as delineated on that certain Record of Survey filed on October 3, 1990 in Book 17 of Record of Survey at Page 134 in the El Dorado County Recorder's Office, also being a portion of Section 27, Township 10 North, Range 9 East, M.D.M., more particularly described as follows:

Beginning at the Southeast corner of said "Tract 1", also being the Northeast corner of Lot 117 delineated on that certain subdivision map entitled "CAMEON VALLEY ESTATES UNIT 3" filed on November 20, 2001 in Book I at Page 116 in the El Dorado County Recorder's Office;

Thence along the East boundary of said "Tract 1" North 00 deg. 12' 16" East, 1326.79 feet;

Thence leaving said East boundary South 64 deg. 56' 56" West, 1155.09 feet;

Thence South 20 deg. 27' 53" West, 158.60 feet;

Thence South 33 deg. 34' 25" East, 136.15 feet to a point on the Northerly boundary of said "CAMEON VALLEY ESTATES UNIT 3".

Thence along the boundary of said "CAMEON VALLEY ESTATES UNIT 3" the following Six courses:

1. North 51 deg. 34' 55" East, 106.93 feet;

2. South 29 deg. 29' 24" East, 206.01 feet;
3. South 26 deg. 40' 13" East, 321.50 feet;
4. South 17 deg. 42' 33" East, 145.57 feet;
5. South 00 deg. 55' 43" East, 34.51 feet;
6. South 89 deg. 47' 44" East, 647.52 feet to the point of beginning.

PARCEL TWO:

A NON-EXCLUSIVE EASEMENT FOR ROAD AND PUBLIC UTILITIES, DISCLOSED BY A DOCUMENT ENTITLED AS "EASEMENT AGREEMENT" RECORDED FEBRUARY 8, 2001 AS INSTRUMENT NO. 2001-0006739 OF OFFICIAL RECORDS.


PARCEL THREE:

A NON-EXCLUSIVE ROAD AND PUBLIC UTILITIES EASEMENT, SIXTY FEET (60.00') WIDE, LYING THIRTY (30) FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT A POINT IN THE SOUTHERLY BOUNDARY OF SAID TRACT 1 FROM WHICH POINT THE SOUTH ¼ CORNER OF SAID SECTION 27 BEARS NORTH 89° 49' 59" EAST, 30.00 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 00° 03' 34" WEST, 160 FEET; THENCE SOUTH 89° 59' 42" EAST 224.27 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 300.00 FEET; THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 23° 13' 23" AND ARC LENGTH OF 121.60 FEET, SAID CURVE BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 78° 23' 37" EAST 120.77 FEET; THENCE NORTH 66° 46' 55" EAST, 111.54 FEET TO A POINT IN THE EASTERLY BOUNDARY OF SAID TRACT 1, TERMINUS POINT OF THE HEREIN DESCRIBED CENTERLINE.

ANY NECESSARY EXTENSIONS REQUIRED FOR DITCHES AND EMBANKMENTS SO AS TO ALLOW FOR CONSTRUCTION IN A GOOD AND WORKMAN LIKE MANNER SHALL BE PROVIDED BY THE GRANTEE OR THEIR SUCCESSOR IN INTEREST.

APN: 070-011-48

 <p>First American Title</p> <p>Schedule B</p>	<p>United States of America Policy of Title Insurance ISSUED BY First American Title Insurance Company POLICY NUMBER 4057100</p>
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File No.: 0901-4057100

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of the following:

5. An easement for ingress and egress and incidental purposes in the document recorded September 20, 1951 in Book 299, Page 487 of Official Records.
6. An easement for single line of poles and incidental purposes in the document recorded September 21, 1954 in Book 349, Page 260 of Official Records.
7. The effect of a map purporting to show the land and other property, filed in Book 17, Page 134 of Record of Surveys.
8. The Terms, Provisions and Easement(s) contained in the document entitled "Easement Agreement" recorded March 1, 1999 as Instrument No. 99-0013355 of Official Records.
9. The terms and provisions contained in the document entitled "Easement Agreement" recorded February 8, 2001 as Instrument No. 2001-0006739 of Official Records.
10. The terms and provisions contained in the document entitled "Right of Entry" recorded February 13, 2001 as Instrument No. 2001-0007655 of Official Records.
11. Any easements and/or servitudes affecting easement Parcel(s) Two and Three herein described.
12. Water rights, claims or title to water, whether or not shown by the public records.

NOTICE: This is a pro-forma policy furnished to or on behalf of the party to be insured. It neither reflects the present status of title, nor is it intended to be a commitment to insure. The inclusion of endorsements as part of the pro-forma policy in no way evidences the willingness of the Company to provide any affirmative coverage shown therein.

There are requirements which must be met before a final policy can be issued in the same form as this pro-forma policy. A commitment to insure setting forth these requirements should be obtained from the Company.