

10. Warranties. Seller warrants that:

- A. 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 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.
- B. Seller has no knowledge of any pending litigation involving the Property.
- C. Seller has no knowledge of any violations of, or notices concerning defects or noncompliance with, any applicable code, statute, regulation, or judicial order pertaining to the Property.
- D. 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.
- E. Seller represents and warrants that it shall not log, cut, remove or destroy any oak, other tree or plant species on the Property, as of the date the Parties have executed this Agreement.
- F. Seller represents and warrants that, 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. Further, Seller knows of no fact or circumstance that may give rise to any future civil, criminal, or administrative proceedings against the Property or Seller relating to environmental matters.

Seller represents and warrants that, to the best of Seller's knowledge, there are no Hazardous Materials on the Property and that there has been no release, use, generation, discharge, storage or disposal of any Hazardous Materials on, in, under, or otherwise affecting all or any portion of the Property.

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 (1) defined as a "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), (2) defined as a "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 ("CPTHSAA Act"), (3) defined as a "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), (4) defined as a "hazardous substance" under Section 25821 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (5) petroleum, (6) asbestos, (7) 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, (8) 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. Section 1321), (9) 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), (10) 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.C. Section 9601 et seq. (42 U.S.C. Section 9601) ("CERCLA"), or (11) defined as a "waste" under the California Porter-Cologne Water Quality Control Act, section 13050 of the California Water Code.

- G. Seller warrants that 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.
- H. In the event Seller, prior to Close of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to County of which County is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items.
- I. All warranties, covenants, and other obligations described in this Paragraph of the Agreement and elsewhere in this Agreement shall survive delivery of the deed.

11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

12. Real Estate Broker. County has not employed the services of a broker or sales agent in connection with the purchase and sale of the Property. Seller has used the services of E. Sandy Sandoval of Grubb & Ellis Company, 1610 Arden Way, Suite 195, Sacramento, California 95815 as Seller's agent only. Seller acknowledges that E. Sandy Sandoval is entitled to six percent (6%) of the Purchase Price as a commission, which shall be disbursed through escrow from moneys due Seller. Seller shall indemnify and hold County harmless from any claims for fees from said agent or any other agent.

13. Items to be Delivered at Close of Escrow.

- A. Seller shall execute and deliver to Escrow Holder a Grant Deed for the Property prior to the Close of Escrow, including oil, mineral and water rights if currently owned by Seller, for recordation and delivery to the County at Close of Escrow.
- B. County shall deliver to the Escrow Holder prior to the Close of Escrow, for delivery or disbursement of Close of Escrow, funds in an amount equal to those shown in Paragraph 2, plus the County's share of costs, fees and expenses to be borne by the County pursuant to this Agreement, together with the County's Certificate of Acceptance to be attached to and recorded with the Grant Deed.

C. Escrow Holder shall:

- (i) Record the Grant Deed for the Property described in Exhibit "A" together with County's Certificate of Acceptance.
- (ii) Cause the policy of title insurance to be issued.
- (iii) Deliver the proceeds of the sale, as adjusted, to Seller.

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 County and Seller.

15. Notices. All communications and notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given on the earlier of the date when actually delivered to Seller or County by the other or three (3) days after being deposited in the United States mail, postage prepaid and addressed as follows, unless and until either or such parties notifies the other in accordance with this paragraph of a change of address:

SELLER: Teddy L. McGraw
1777 E. Moonshroud Dr.
oro Valley, CA 95737

COPY TO: _____

COUNTY: County of El Dorado
Board of Supervisors
Attn: Clerk of the Board
330 Fair Lane
Placerville, CA 95667

COPY TO: County of El Dorado
County Counsel's Office
Attn: Louis Green
330 Fair Lane
Placerville, CA 95667

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 and the legal relations between the Parties 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. 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.

22. Possession and Occupancy. Possession and occupancy shall be delivered to County at 5:00 p.m. on the date of Close of Escrow. The Property shall be unoccupied.

23. Condition of Property. Unless otherwise agreed: (i) the Property is sold (a) in its present physical condition as of the date of the Agreement and (b) subject to County's investigation rights; and (ii) the Property is to be maintained in substantially the same condition as on the date of this Agreement.

24. County's Investigations. Within the time specified in Paragraph 3 above, County shall have the right, at County's expense, to conduct inspections, investigations, tests, surveys, and other studies ("County's Investigations") as deemed necessary by County in order to determine the condition of the Property and suitability to County's intended uses. Seller expressly grants the County, its representatives and agents, the right of entry onto the property to conduct County's Investigations. Without Seller's prior written consent, County shall not make nor cause to be made any invasive or destructive County Investigations. If, on the basis of the foregoing review, County determines in its sole discretion, that the Property is not acceptable, then prior to the Close of Escrow, Seller shall remedy any unsatisfactory conditions, or County may terminate this Agreement, without penalty, by delivering written notice of such termination to Seller. Ratification of this Agreement by the Board of Supervisors shall constitute removal of all contingencies to this Agreement, unless County shall have given notice of any condition requiring remedy by Seller.

25. 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.

26. County Administrator. The County officer or employee with responsibility for administering this Agreement is County Counsel, Louis B. Green, or successor.


27. Third Party Beneficiaries. No condition, covenant, waiver or release contained herein made or given by Seller or County is intended to run to the benefit of any person not a party to this Agreement unless otherwise expressly set forth herein.

-- COUNTY --

Dated: 10-19-10

COUNTY OF EL DORADO

ATTEST:
SUZANNE ALLEN DE SANCHEZ
Clerk of the Board

By: 
Norma L. Santiago, Chair
of the Board of Supervisors

By: 
Deputy Clerk

-- SELLER --

Dated: _____

**DETMOLD LIMITED
PARTNERSHIP**, a California
limited partnership

By: _____
Teddy L. McGraw, General
Partner

EXHIBIT "A"
LEGAL DESCRIPTION

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF EL DORADO, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF THE SOUTHWEST 1/4 OF SECTION 2, TOWNSHIP 9 NORTH, RANGE 9 EAST, M.D.B.&M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 2, AS SHOWN ON THAT CERTAIN "RECORD OF SURVEY OF SECTION 2, AND A POINT OF SECTION 11, TOWNSHIP 9 NORTH, RANGE 9 EAST, M.D.B.&M.", RECORDED IN BOOK 2 OF SURVEYS AT PAGE 88 IN THE OFFICE OF THE RECORDER OF EL DORADO COUNTY; THENCE FROM SAID POINT OF BEGINNING SOUTH 00 DEG 00' 28" WEST 300.61 FEET ALONG THE NORTH-SOUTH CENTERLINE OF SAID SECTION 2 TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY 50, AS SHOWN ON THE DIVISION OF HIGHWAYS, DISTRICT 3, RIGHT OF WAY ENGINEERING, "TITLE MAP BETWEEN 1.0 MILE EAST OF BASS LAKE ROAD TO 0.8 MILE WEST OF SHINGLE SPRINGS"; THENCE ALONG SAID NORTHERLY RIGHT OF WAY THE FOLLOWING THREE (3) COURSES: (1) SOUTH 89 DEG 16' 32" WEST 621.32 FEET TO A POINT ON THE WEST LINE OF THE SOUTHEAST 1/4 OF SAID SOUTHWEST 1/4; THENCE NORTH 00 DEG 03' 41" WEST 290.40 FEET ALONG SAID WEST LINE TO THE CENTER OF SAID SOUTHWEST 1/4; THENCE NORTH 89 DEG 16' 00" EAST 1317.22 FEET ALONG THE NORTH LINE OF THE SOUTHEAST 1/4 OF SAID SOUTHWEST 1/4 TO THE POINT OF BEGINNING.

A.P.N. 070-261-82-100