

Request for Proposals

Farm Lease for Grazing at Wakamatsu Farm
941 Cold Springs Road, Placerville, CA

PROJECT DESCRIPTION

The American River Conservancy (“ARC”), a non-profit conservation organization, seeks a Lessee to regeneratively graze up to 90 acres of grassland at Wakamatsu Farm (the Property), located 6 miles north of Placerville. ARC owns a residence on the Property, which is available for the Lessee to live in during the term of the Lease, at the Lessee’s option. ARC will accept bids for grazing only (non-resident tenant) and/or for grazing and occupying the residence (resident tenant). The actual lease agreement will be subject to negotiation between ARC and the Lessee and will be based on using appropriate sections from ARC’s form of Livestock Grazing Lease (which would apply to a non-resident tenant) and ARC’s form of Farm Lease Agreement (which would apply to a resident tenant); both are included as attachments. A grazing prescription will also be developed with input from both the Tenant and Landowner representatives.

Proposal should describe the bidder’s proposed types of livestock and stocking rates/grazing regimes for the proposed grazing area(s), including how the proposed grazing methods will help manage invasive species such as yellow star-thistle.

Meat and animal product sales for animals raised on site is acceptable. See appendix A for a description of an existing building on site that may be used for this purpose.

A description of the existing residence on the Property that is available for lease tenants to reside in is provided in Appendix A. The maximum allowable occupancy of the residence is a total of four people. Allowable pets only include a maximum of 2 cats and a maximum of 2 dogs. Other small pets may be considered on a case-by-case basis.

Livestock Guardian Dogs (LGDs) and Herding dogs are allowed subject to certain conditions and restrictions; see Section 2 of the draft agreement.

The entire property is 272 acres and located in the Gold Hill area at approximately 1,200 ft elevation. The area is grassland and oak woodland with two seasonal streams. The soils are deep and fertile and are rated “unique” and of “statewide importance” by the USDA. Piped irrigation water for some of the pasture is available from the El Dorado Irrigation District at an agricultural rate. The farm is located on Cold Springs Road, a major arterial roadway between Placerville and Coloma, 35 miles east of Sacramento.

BIDS MUST BE RECEIVED BY OR POSTMARKED BY COB JUNE 7, 2024. PLEASE SUBMIT BIDS VIA MAIL OR VIA EMAIL TO elena@arconservancy.org or via US mail to PO Box 562, Coloma, CA 95613.

HISTORICAL BACKGROUND

ARC purchased the 272-acre farm in October, 2010 to protect its significant natural and cultural resources.

Native Americans have lived in the region for over 6,000 years. At the time of the Gold Rush, the Gold Hill area was inhabited by the local indigenous people of the region. The Farm is only two miles from Coloma, the site of a major Nisenan village at Coloma, and the site where James Marshall built a lumber mill on the south fork of the American River and where his discovery of gold in 1848 precipitated the California Gold Rush.

In 1852, the Charles Graner family purchased 160 acres just north of Gold Hill (site of this Farm). The Graner's planted grapevines and raised cattle, pigs and sheep as well as fruits and vegetables. In June of 1869, Graner sold the farm to twenty-two (22) Samurai colonists from Aizu Wakamatsu. These colonists established the Wakamatsu Tea and Silk Colony Farm, growing citrus, tea, mulberry shrubs for silkworms, sesame, bamboo, and other traditional Japanese crops. Wakamatsu Farm is the first Japanese colony site in North America. Wakamatsu Farm also contains the grave of Okei-san, the first Japanese woman to be buried on American soil. It was for these reasons that a 68-acre portion of the Farm was placed on the National Register of Historic Places.

In 1873 the Francis Veerkamp family purchased the farm. Over the past 140 years, the farm was managed by the Veerkamp family which successfully grew and sold a variety of grain and fruit crops as well as chickens, turkeys, hogs and beef and dairy products.

Wakamatsu Farm is a multi-use property. Currently, ARC conducts education programs and community events at the farm, coordinates volunteer restoration of habitat, maintains trails, and hosts private events at the farm. A local organic produce farm, Fog Dog Farm, leases 10 acres and a residence at the site.

ARC seeks to lease up to 90 acres of pasture that will complement activities and food production already in place. ARC is looking to engage a local grazer/livestock farmer that is focused on regenerative grazing practices. There may be opportunities for the grazing lessee to participate in farm-to-school programs, public tours and the sale of farm products that would serve special events at Wakamatsu Farm. ARC will provide the selected Lessee with a certificate of liability insurance naming the Lessee as co-insured with respect to all Conservancy tours and educational programs.

A map and photographs of the pasture and other areas available for lease is attached for your review. Questions or requests to tour the Wakamatsu Farm property may be directed to Elena DeLacy at elena@arconservancy.org. A meeting and a Tour of the leased pasture and facilities will be held on the following dates and times at 941 Cold Springs Road, Placerville, CA 95667:

- **Monday May 13 from 3:30 pm - 5pm**
- **Friday May 17 from 10am - 11:30am**
- **Tuesday May 28 from 12:30pm - 2pm**

ARC strongly recommends that all interested parties attend at least one of the site tours. Additional information regarding the history of the farm may be obtained through the following URL:
www.arconservancy.org/wakamatsu

Statement of Proposal Selection, Competition and Conflict of Interest

ARC will review and select a winning lease proposal through a competitive process that considers all relevant factors described below. The winning proposal will be screened, reviewed, and selected by the Executive Director and Board of Directors of ARC or a committee set up for that purpose. All interested parties are encouraged to submit proposals, including current supporters of ARC. Any potential conflict of interest should be identified within each proposal. The winning lease proposal will have the highest cumulative score among the following attributes:

- synergy with ARC's mission to "serve our communities by ensuring healthy ecosystems in the Upper American River and Upper Cosumnes River watersheds through conservation, education, and stewardship," and goals for Wakamatsu Farm (See Attachments for a summary of the Wakamatsu Farm master plan - a full copy is available upon request).
- prior experience with regenerative and other types of grazing practices that improve soil health.
- capacity of the potential lessee to utilize up to 90 acres.

- compliance with ARC's lease agreement terms; and
- amount of lease income generated.

Proposals must be complete and include the bid Summary Page (Part 1) plus a written proposal of no more than ten (10) pages outlining your proposal (Part 2). Proposals must be postmarked or received by June 7, 2024.

PART 1

**WAKAMATSU FARM LEASE
REQUEST FOR PROPOSAL SUMMARY PAGE**

Date:

Name of Person or Entity Submitting Proposal:

Contact Person:

Address:

Phone:

Contact Email Address:

Website Address:

Lease Proposal Basis (resident or non-resident):

Term of Lease Requested (In Years) Minimum should be one year; Maximum 5 years for initial lease:

<u>Acreage</u>	<u>Summary of Proposed Use</u>	<u>Proposed Lease Amount*</u>
_____	_____	_____

**Proposed lease amounts should take into account market rate for residential housing in El Dorado County as well as market rate for 20 acres of irrigated pasture and 70 acres of dryland pasture.*

Explanation (if annual lease payments are graduated):

Attach resume or summary of your relevant background, experience, and skills.

**WAKAMATSU FARM LEASE
WRITTEN PROPOSAL
(Maximum 10 pages in length)**

Provide answers to the following questions. Please include the question in your response.

1. Provide a summary description of the proposed use.
2. Provide a description and cost estimate of any capital improvements by lessee necessary to implement your proposal. Provide a description and cost estimate of any capital improvements you request from ARC to implement your proposal, if any.
3. Provide a detailed timeline for making capital improvements and identify the month/year when you expect to begin generating income from each ag/business enterprise.
4. Please describe your grazing/farming and/or overall business experience and background.
5. What livestock will you graze? Please describe any specific grazing methods that you will be using (rotation, regenerative, etc.). Include relevant details such as seasonality and stocking rates, herding animals, LGDs, etc. Please describe how the proposed grazing methods will help manage invasive species such as yellow star-thistle.
6. What equipment, if any, will you need to successfully carry out farming within the lease areas? Do you already possess this equipment? Are you able to service this equipment?
8. How do you propose to market and sell your products or services? Will you require a space to conduct on-site sales of farm products?
9. Describe your communication style and your experience interacting with members of the public. What electronic or social media do you plan to use?
10. Do you have interest in participating with ARC to provide farm-related educational programming?
11. What are your expectations regarding communications and coordination with ARC?
12. How will you provide labor for your operation? Will you pay minimum wage or more? Worker's comp? Do you plan for any of your workers to reside on site either year-round or seasonally? What housing accommodations do you plan?

The American River Conservancy requests that proposals be submitted to ARC by June 7, 2024 via mail or email to: Elena DeLacy, American River Conservancy, P.O. Box 562, Coloma, CA 95613 or elena@arconservancy.org

FARM LEASE AGREEMENT

This Farm Lease Agreement (this "Agreement") dated DATE is by and between the American River Conservancy, a 501(c)(3) California public benefit corporation ("Landowner") and NAME(s) ("Tenant"). Landowner and Tenant together may be referred to collectively hereinafter as the "Parties". The addresses and telephone numbers of the Parties to this Agreement are as follows:

TENANT:	LANDOWNER:
Name	American River Conservancy
Business Name	Attn: Elena DeLacy, Executive Director
Address 1	348 Highway 49 – P.O. Box 562
Address 2	Coloma, CA 95613-0562
Phone	(530) 621-1224
Email	elena@arconservancy.org

Landowner and Tenant hereby agree to the lease terms as follows:

- 1. SUBJECT PROPERTY:** Landowner is the owner of that certain real property in El Dorado County, California which consists of approximately 90 acres of undeveloped pasture land (a portion is irrigated, a portion is dry land pasture) located in EDC Assessor's Parcel Numbers. The interest in this xx acres and the residential structure shall be referred to in this Agreement as "the Subject Property". This is a lease of agricultural property and occupation of the residence is incidental but complementary to the parties' intent of agricultural production. The Subject Property is more particularly identified by highlighted aerial images attached hereto and incorporated herein by reference as *Exhibits A and B*.
- 2. USE OF LEASED PREMISES:** It is the intention of Landowner to lease the Subject Property to Tenant for Tenant's exclusive use to raise livestock and graze pasture in a sustainable manner; and live within the residence upon the terms and conditions described below. Livestock may include sheep, non-dairy cattle, goats, chickens, rabbits, and/or turkeys. Raising or keeping of other types of livestock (e.g. horses, llamas, mules, donkeys, pigs, etc.) may be allowed only with express written permission of the landowner. Livestock Guardian Dogs (LGDs) and Herding Dogs are allowed, as long as such animals are restricted to leased areas and do not present a danger or nuisance to the public and neighbors. This lease permits and restricts use to residential, agricultural, and farm-related educational purposes. Gatherings that require overflow parking outside of leased areas will require 14-day written notification to the Landowner.

Tenant will have the right to erect, maintain, and remove at Tenant's expense, temporary fence and moveable buildings on the Property, provided that such fence or buildings or their removal do not damage the Property in any way, and do not restrict access to roads, trails or other infrastructure outside of leased areas. Tenant accepts leased acreage, fencing, and irrigation in an as-is condition. Any

improvements made to the fencing and irrigation shall be made at the tenants own expense, unless special provisions are made and agreed upon between the Landowner and Tenant. Costs for improvements made by the Tenant that last beyond the term of the lease agreement may be reimbursed by the landlord for a mutually agreed-upon value, taking useful life and depreciation into account.

Tenant is required to operate under the conditions of the *Conservation Easement (Exhibit C)* and the agricultural guidelines provided by the NRCS within that conservation easement and ARC's *Wakamatsu Farm Master Plan Summary (Exhibit D)*, and *the Grazing Prescription (Exhibit E)*. No other use or uses shall be permitted unless Landowner's written consent is first obtained. Tenant is required to comply with all local, state and federal laws, rules, ordinances and regulations, and in particular, those dealing with El Dorado County's ranch marketing ordinance. Tenant must also comply with all license laws and any permit requirements.

Landowner shall retain approximately 182 acres of farm and wild lands surrounding the Subject Property for the purposes of protecting wildlife habitat, delivering environmental education programs, conducting tours, hosting events and other agricultural activities. These 182 acres are outside and not subject to this Lease agreement. The combined 272 acre farm is listed on the National Register of Historic Places at a level of "national significance" as being the first Japanese colony in the United States – the Wakamatsu Tea and Silk Colony Farm established in 1869. This listing of the National Register does not prevent the farming of land or activities supportive of farming.

This lease does not give rise to a partnership. Neither party shall have the authority to bind the other without written consent. Neither party shall be liable for debts or obligations incurred by the other without written consent.

3. **TERM:** The term of this Lease shall be for ___ (x) years and zero (0) months, and will start on DATE (the "Commencement Date") and shall terminate after the passage of ___ years from that date. The Tenant and Landowner shall meet 3 months before the end of that ___ year lease period and assess the benefits of this agricultural, educational and residential lease to each party prior to the consideration of any lease extension and/or renewal.
4. **SECOND RIGHT OF REFUSAL:** The Tenant shall have the Second Right of Refusal, junior only to a First Right of Refusal currently held by Wil Holland and Kristen Draz to lease additional acreage of the Wakamatsu Farm property, should the opportunity arise in the future for expanding the size of acreage under Tenants agricultural operations.
5. **BASE RENT.** Tenant agrees to pay Base Rent at the following rate schedule: \$xxxx per month during the first year and then graduating \$xxx each year at the annual anniversary date of March 1st as follows: Year 2 - \$xxxx/month; Year 3- \$xxxx/month; Year 4- \$xxxx/month and Year 5- \$xxxx/month.

Rent Increase for Lease Renewal. The rent for the first three years of the Renewal Term will be \$xxxx/month and for the last two years, \$xxxx/month.

6. **PAYMENT:** Rent shall be paid to the American River Conservancy at the address provided above on a monthly basis with the first payment due DATE and subsequent monthly payments due the 1st of each month thereafter. If payment of rent is more than 15 days late from the date the payment was due, a late fee of \$250.00 will be charged to Tenant. Any potential interest is waived for payments that are less than 15 days late. Rent shall be paid without any right of offset or deduction. Landowner may evict Tenant if rent payment is not made within 60 days of the due date. Landowner retains the right to give notice to change the address where rent is to be paid.
7. **TAXES AND ASSESSMENTS:** Landowner is responsible for property taxes. Tenant shall pay sales taxes and any assessments on personal property and shall pay the same before delinquency. Tenant shall pay all utility expenses (electric, propane, phone, internet, water) connected with the residence and agricultural property.
8. **EARLY POSSESSION:** Tenant may access the Subject Property before DATE, as soon as the subject acreage and residence is vacated and with 24 hour advanced notification to Landowner.
9. **UTILITIES:** Tenant is responsible for arranging for utilities and paying all utility costs relating to Tenant's use and possession of the Property, including without limitation, water, electricity, gas, propane, water, sewer, waste removal services. The exception is the water service to the irrigated pasture. Tenant will reimburse landowner on a bi-monthly basis for agricultural water use in the irrigated pasture. Tenant will be required to take photos of corresponding water meter usage to record and track use in order to reimburse landowner for tenant's use of irrigation.
10. **INFRASTRUCTURE IMPROVEMENTS AND STRUCTURAL REPAIRS:**

Tenant may undertake improvements to the residence agreed to in writing by Tenant and Landowner upon occupation of the residence. Responsibility of maintenance is described further in Section 12. Tenants shall keep the premises free of any mechanic's liens.

Landowner and Tenant shall cooperate on the provision of water for the watering of pastures and/or livestock. Any permanent or buried irrigation system to the leased area boundary will be paid for by Landowner, subject to Landowner's prior approval of proposed piping additions. Above ground irrigation infrastructure will be paid for and maintained by Tenant. Tenant shall be responsible for the maintenance of perimeter fencing.
11. **Materials and Labor.** At the discretion of the Landowner, Landowner will furnish materials and Tenant will perform labor for normal maintenance and repairs to the residence, except that skilled labor which Tenant is unable to perform satisfactorily will be furnished by Landowner. Tenant agrees to keep Subject Property in generally clean and orderly condition.

12. REGENERATIVE GRAZING MANAGEMENT AND ORGANIC FARMING PRACTICES:

Tenant agrees to use regenerative grazing and organic farming management practices. While organic certification is not required, tenants are expressly prohibited from using chemical herbicides, pesticides, and fertilizers on the premises. Regenerative grazing management practices may refer to any number of holistic range management techniques, including targeted grazing, regenerative grazing, rotational grazing, and/or biodynamic grazing management. These types of grazing practices are intended to maintain soil health, biodiversity, and in some cases, increase soil carbon and organic matter, thereby increasing carbon sequestration and water-holding capacity of the soil.

13. SECURITY DEPOSIT: Tenant agrees to pay Landowner one thousand and no/100 dollars (\$1,000.00) as a security deposit on or before the date of taking possession of the residence. All or any portion of the security deposit may be used, as reasonably necessary, to: (1) cure Tenant's default in payment of Rent late charges, non-sufficient funds, or other sums due; (ii) repair damage, excluding ordinary wear and tear, caused by Tenant, or by a guest or contractor of Tenant, if necessary, upon termination of tenancy; and (iii) cover any other unfulfilled obligation of Tenant. If the Landowner's only claim upon the security deposit is for unpaid rent, then the remaining portion of the security deposit, after deduction of unpaid rent, shall be returned within 14 days after the Landowner receives possession.

14. PROPERTY USE AND COORDINATION WITH LANDOWNER; CONSERVATION EASEMENT/WAKAMATSU FARM PLAN: Tenant agrees to lease the Subject Property subject to the recorded Conservation Easement and Landowner's Wakamatsu Farm Master Plan. Tenant acknowledges and agrees that the Wakamatsu Farm property is a multi-use facility that engages members of the public, school groups, and volunteers on a near-daily basis. As such, Tenant will be expected to stay in communication with Landowner and ARC Staff regarding daily schedules and public/private use of the property (in unleased areas). Mutual cooperation is required between Landlord and Tenant for operation of the subject property as a Multi-Use facility.

Regular communication between Landowner and Tenant shall be made possible through the use of cell phones (text and call), email, shared Google calendars, and in-person meetings. Written communication shall be made through email correspondence or written/hard-copy notices. Text messages are not considered "written notification" for the purposes of this agreement. Tenant and Landowner representatives shall meet in person or via video call no less than two (2) times annually to review site conditions, address issues, and provide mutual updates to ongoing operations of ARC and the tenant.

15. PARKING, SITE SECURITY: Tenant is entitled to the use of residence and perimeter yard within the perimeter as outlined with Exhibit B for the orderly parking of transportation and farm vehicles. Tenant and Landowner will cooperate to maintain locked gates elsewhere to maintain site security when adjoining property is unoccupied by staff or volunteers employed by the Landowner. Tenant will

cooperate with Landowner to monitor the security of lands leased by Tenant and owned by Landowner by reporting breaches to site security by informing ARC staff or appropriate law enforcement authorities.

16. RESIDENCE:

16.1 Use of House. There is a house located on the Property. Tenant may use the house as a private residential dwelling for Tenant and Tenant's family members or as a residential dwelling for Tenant's employees during the Term, as incidental to Tenant's lease of agricultural property for production activities. At all times of occupancy, Tenant's employees shall not pay rent or utilities and, as such, are guests of Tenant to live on the premises. No more than a total of four people shall reside in the house at any time.

16.2 Rent and Utilities. There is no separate rent due for use of the house. Tenant will be solely responsible for all fees, deposits, or charges related to telephone service, gas, electricity, cable and other utilities for the house.

16.3 No Sublease or Short-Term Rentals. Tenant may not sublease or assign its rights to any portion of the house without first obtaining Landowner's prior written permission. Tenant may not offer or allow use of all or any portion of the house for short-term rental, such as through AirBNB, VRBO or agricultural tourism services, without first obtaining Landowner's prior written permission. Any unapproved sublease, assignment, offer or use will be null and void.

16.4 Care. Tenant will keep the house and its furniture, furnishings and appliances, if any, in good order, condition, and repair. Tenant will properly use and operate all electrical, gas and plumbing fixtures, and keep them as clean and sanitary as their condition permits. Landowner will, at Landowner's own cost and expense, put and maintain the leased premises in a safe and sanitary condition and shall comply with all laws, ordinances, and regulations pertaining to the condition of the residence. Tenant shall remedy, at Tenant's own cost and expense, any deteriorations of or injuries to the leased premises occasioned by Tenant's lack of ordinary care to the residence.

16.5 No Smoking/Illicit Drug Use. No smoking or vaping of any kind is allowed in the house. No use of illegal substances is allowed on the subject property.

16.6 Pets. Tenant may have pets in the house, which may include dogs, cats, and other small animals, up to a limit of three animals. Tenant will be responsible for all damage to the house or its floors, furniture, furnishings, or appliances caused by the pet(s). Horses, donkeys, mules, llamas, etc. are not allowed as pets without Landowners express, prior written consent.

16.7 Compliance. Tenant in its use and occupancy of the house will comply with all applicable laws, and will not commit waste or nuisance.

16.8 Changes to House. Tenant will not make any modifications, alterations or improvements to the house without Landowner's express, prior written consent. These changes include, without limitation, painting, wallpapering, changing or installing locks, or installing antenna or satellite dishes. Any approved modifications, alterations and improvements will become Landowner's property at the expiration or termination of the Agreement, unless Landowner otherwise consents in writing.

16.9 Dangerous Materials. Tenant will not keep in or near the house any item of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire or explosion at the house or that might be considered hazardous or extra hazardous by a property insurance company.

16.10 Repairs and Maintenance. Tenant will be responsible for small, routine repair and maintenance items at the residence. Tenant will notify Landowner of any need for non-routine maintenance and repairs, and will cooperate with Landowner in addressing those items. If repairs are required due to damage beyond ordinary wear and tear due to Tenant's use and occupancy, Tenant will, upon Landowner's request, reimburse Landowner for the costs of such repairs. Tenant will be responsible for maintaining exterior vegetation around residence in a wildfire-safe manner. This may include weed-eating and mowing to keep weeds manageable, and pruning shrubs and small trees to keep branches away from house siding. Landowner will be responsible for any major tree/pruning work that needs to be completed. Landowner is responsible for routine chimney cleaning and routine septic maintenance.

16.11 Septic System. This property has a septic system. The Tenant is responsible for following these guidelines in order to keep the septic system functioning properly:

- Do not waste water. More wastewater in the system means that it has to work harder.
- Do not flush anything other than human waste, liquid, and septic safe toilet paper.
- Do not use harsh chemicals or antibacterial products (e.g. bleach), as these can disrupt the septic system's finely tuned ecosystem.
- Do not flush prescription or over the counter medications.
- If possible, spread laundry throughout the week rather than doing it all in one day.
- Do not park or drive on the drainfield.

Tenant must contact the Landowner IMMEDIATELY if any of the following occurs:

- Water pooling on or near the drainfield
- Slow or gurgling drains from toilets, sinks, tubs, showers, or laundry equipment
- Foul odors, either inside the home or outside

16.12 Renter's Insurance. Tenant acknowledges that Tenant is not a beneficiary of Landowner's insurance on the house and such insurance will not cover any loss or damage to Tenant's property in or near the house. Landowner strongly suggests that Tenant acquire appropriate renter's insurance coverage.

16.13 Entry. Landowner may enter the rented premises if there is an emergency or to make repairs or improvements, supply agreed services, or show the premises to prospective buyers or tenants. Except in cases of emergency, abandonment of the house, or court order, Landowner will provide Tenant with at least 24 hours of advance notice of Landowner's intent to enter and will only enter during the time between 9am and 5pm. The notice will specify the purpose, the date, and the approximate time of entry.

16.14 Move-Out. Upon termination of this Agreement, Tenant will at its expense surrender the house in good order and condition, reasonable wear and tear excepted, and will remove all of Tenant's personal property.

16.15 Condition. Tenant has examined the house and its furniture, fixtures and appliances, and confirms that, as of the date of this Agreement, the house and such items are clean and in good order and repair.

16.16 Termination and other Provisions. For clarity, the termination, security deposit, and personal property provisions in this Agreement relate to the house and personal property in the house as well as to the rest of the Property.

16.17 Detection Devices. Tenant may not remove, disable or disconnect any smoke detection or carbon monoxide detection devices in the house. Tenant will be responsible for testing such devices and for changing the batteries as necessary, and for reporting to Landowner any problems with such devices.

16.18. California Rental and Seller Disclosure Law. Notice: Pursuant to §290.46 of the California Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP code in which he or she resides.]

17. INSURANCE: Personal property, fixtures, equipment, inventory and vehicles belonging to Tenant are not insured by the Landowner against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or other causes. Tenant shall maintain Tenant's own property insurance to protect against such loss. Tenant shall carry a minimum One million dollar (\$1,000,000) aggregate farm liability coverage naming Landowner as additional insured. Tenant shall provide the Landowner with a certificate of insurance establishing compliance. Landowner shall carry a standard policy of hazard insurance on the residential structure.

18. TERMINATION OF LEASE FOR CAUSE: If either Party willfully neglects or refuses to carry-out any provision of this lease, the other party shall have the right, in addition

to compensation for damages to terminate the lease. He or she shall do so by written notice on the party at fault, specifying the violations of the agreement. If violations are not corrected within 30 days or a period of time mutually agreed upon by the Parties in writing, then the lease shall be terminated. Such a termination will be effective 90 days after delivery by Landowner to Tenant or Tenant to Landowner of a notice of termination. Tenant may then leave, quit, and surrender the Property to Landowner, but Tenant will remain liable for damages to the extent permitted by law.

19. TERMINATION OF LEASE BY TENANT. Tenant shall retain the right to terminate the Lease for any reason with 90 days written notice to the Landowner. Should Landowner incur costs due to physical damage to structures then Tenant shall reimburse Landowner the full value of repairing the damage.

At the Termination of the lease, the Tenant shall be entitled to reimbursement of a reasonable appreciation value, and not the original cost or replacement value, of permanent, lease-hold improvements that were paid for by Tenant with Landowner's written consent and that will remain as an improvement to the land beyond the termination of the lease.

20. ENTRY: Tenant shall make the Subject Property available to Landowner for the purpose of entering to make inspections or to supply necessary or agreed upon services. Landowner and Tenant agree that a 24 hour advance notice (oral or written) shall be reasonable and sufficient notice. In an emergency, Landowner may enter the Subject Property at any time without prior notice.

21. SUBLETTING/ASSIGNMENT: Tenant shall not sublet or encumber all or any part of the Subject Property, or assign or transfer this agreement or any interest in it, without the prior written consent of the Landowner.

22. TENANT'S OBLIGATIONS UPON VACATING PREMISES: Upon termination of this agreement, Tenant shall: (i) give Landowner all copies of all keys to the Subject Property; (ii) vacate the Subject Property and surrender it to Landowner empty of all persons and personal property; (iii) vacate all parking and storage spaces; (iv) deliver the Subject Property in a clean and orderly condition; and, (v) give written notice to Landowner of Tenant's forwarding address.

23. DAMAGE TO SUBJECT PROPERTY: If, by no fault of Tenant, the Subject Property is partially or totally damaged or destroyed by fire, earthquake, accident or other casualty then Landowner shall have the right to restore the Subject Property by repair and/or replanting. If Landowner elects to repair or rebuild, and is able to complete such restoration within 3 months from the date of damage, this agreement shall remain in full force and effect. If Landowner is unable to restore the premises within this time, or if Landowner elects not to restore, then either Landowner or Tenant may terminate this agreement by giving the other at least 30 days written notice. Rent shall be abated as of the date of damage. If damage occurs as a result of an act of Tenant, then only Landowner shall have the right of termination.

24. HAZARDOUS MATERIALS: Neither Tenant nor Landowner shall use, store,

generate, release or dispose of any hazardous material on the Subject Property. Neither party will spray, spread, irrigate, inject, deposit, dispose, or otherwise apply under, on, or upon the Property any fertilizers, chemicals, waste products, or other substances which are not OMRI approved. Both Parties will ensure that use of any fertilizer, herbicide, pesticide, or similar substance will strictly conform to the manufacturer's instructions and all governmental regulations respecting the manner and timing of the application. Neither Party may apply any experimental fertilizer, herbicide, pesticide, poison, or other foreign substance to the Property without first obtaining written approval by the other. Landowner and Tenant shall meet whenever either has a pest issue (deer, rodents, insects) that requires significant actions (such as fencing, planting trap crops, etc.) to collaborate on eradication. The responsible Party is responsible for the cost of removal and remediation, or any clean-up of any contamination they caused.

25. CONDEMNATION: If all or part of the Subject Property is condemned for public use, either Party may terminate this agreement as of the date possession is given to the condemner. All condemnation proceeds belong to the Landowner.

26. RIGHT OF FIRST OFFER. Landowner, prior to entering into any sale or transfer of any part of the Property with any third party, will first offer to sell the Property to Tenant by delivering notice (the "offer Notice") to Tenant stating (i) Landowner's good faith intention to sell the Property and (ii) the price, terms, and condition on which Landowner proposes to sell the Property. Tenant will have 45 days after receipt of the Offer Notice in which to accept such offer. If Tenant fails to give Landowner notice of Tenant's acceptance of the offer within such period, then Landowner will be free to sell to a third-party offer on the same terms and conditions as set forth in the Offer Notice. If Landowner does not sell to a third party on the same terms and conditions as set forth in the Offer Notice and close the transactions within 90 days, Landowner's right to sell the Property to a third party will expire and the procedure described in this Section will again be applicable. Either party may record, and secure the other party's cooperation in recording, this option with the appropriate county.

27. DISPUTE RESOLUTION/MEDIATION: Tenant and Landowner agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction. Tenant and Landowner agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure Section 1283.05.

28. CROSS-INDEMNIFICATION: Tenant shall indemnify, defend and hold Landowner harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Subject Property, and use of the Subject Property by Tenant's employees, agents and invitees. Landowner shall indemnify, defend and hold Tenant

harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Landowner's use of the Subject Property, and use by the Subject Property by Landowner's employees, volunteers, agents and invitees.

29. MUTUAL NON-DISPARAGEMENT: Tenant agrees to refrain from any disparagement, defamation, libel, or slander of the Landowner and its employees, agents, and supporters. Likewise, the Landowner agrees to refrain from any disparagement, defamation, libel, or slander of the Tenant.

30. ENTIRE CONTRACT: Time is of the essence. All prior lease agreements between Landowner and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.

31. BROKERAGE: Neither Landowner nor Tenant have utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder or other entity, in connection with any act relating to the lease of the Subject Property.

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

TENANT:

LANDOWNER:

By: _____
NAME

By: _____

By: _____
NAME

Elena DeLacy, Executive Director
American River Conservancy

By: _____
NAME

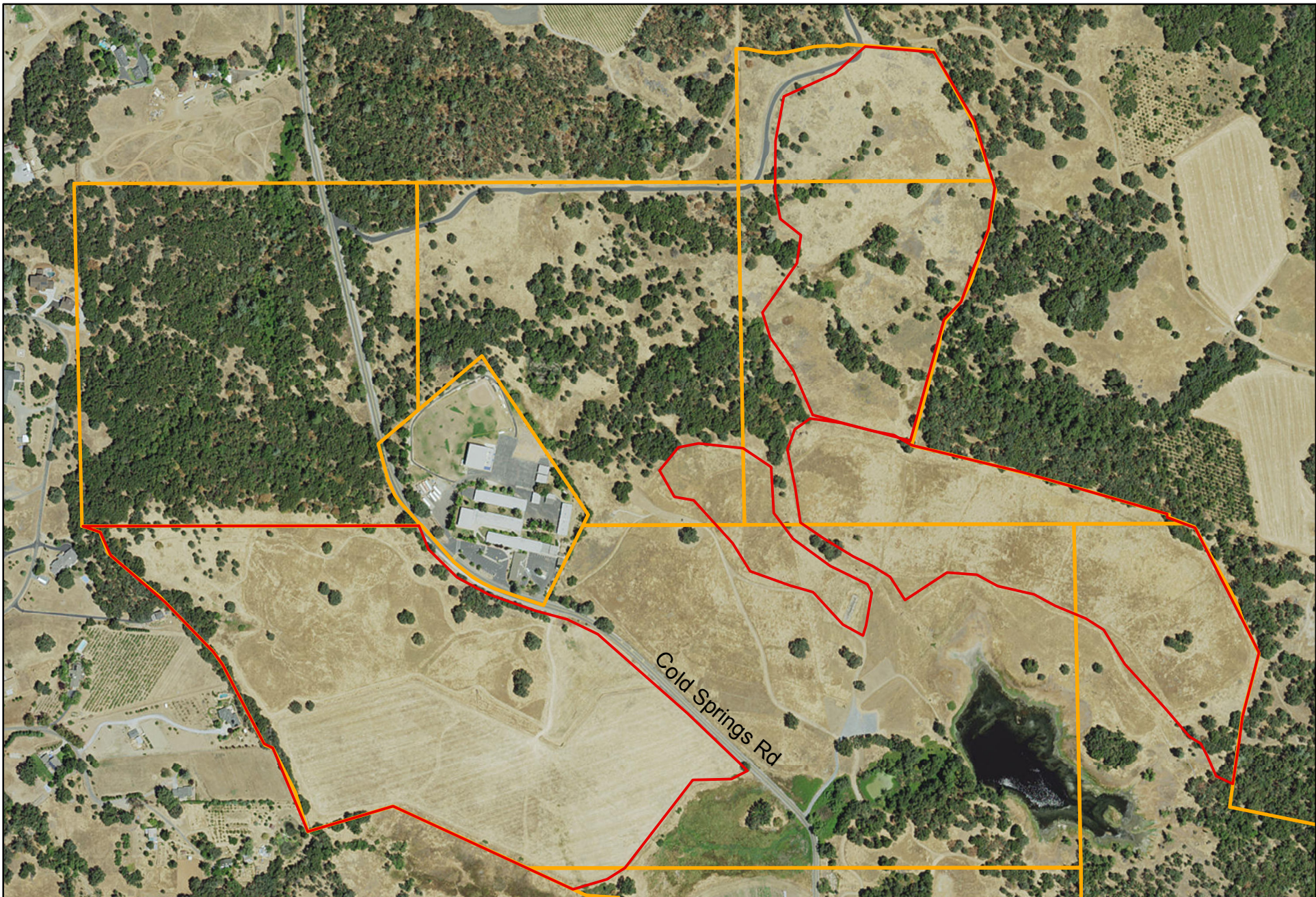
Date: _____

Date: _____

Exhibits:



- A: Map of Pasture Areas for Lease
- B: Map of Residence and yard
- C: Conservation Easement
- D: Wakamatsu Farm Master Plan
- E: Grazing Prescription and Guidelines

Exhibit A
Map of Pasture Areas for Lease



**Exhibit A:
Wakamatsu Farm
Potential Leased Pasture Areas**

Legend

-  Available for Lease
-  Subject Property

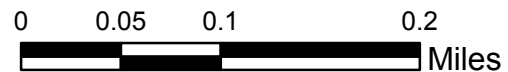
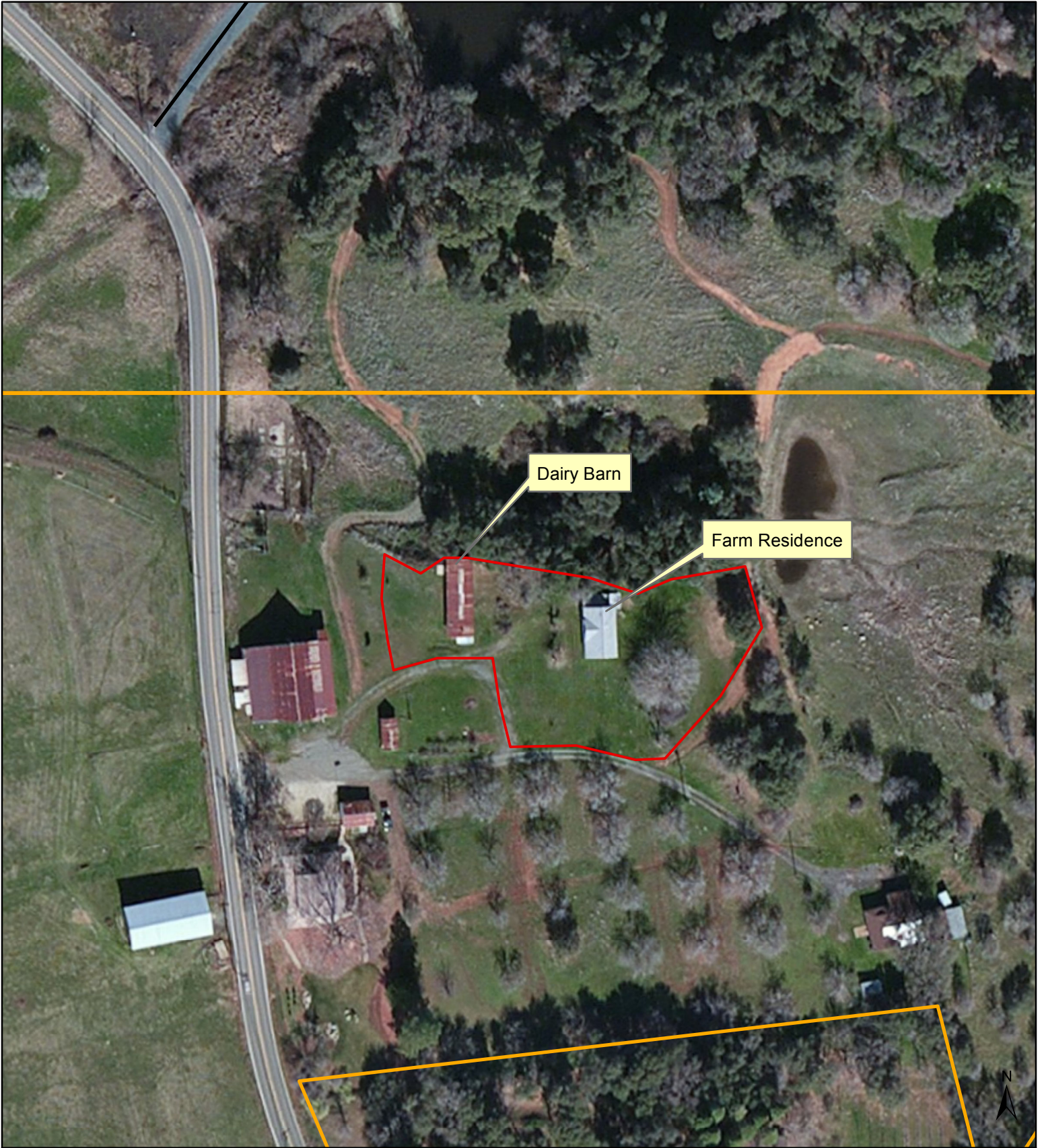


Exhibit B
Map of Farm Residence and Yard



**Exhibit B:
Wakamatsu Farm
Residence and Dairy
Potential Lease Area**

Legend



-  Wakamatsu
-  Leased Area



Exhibit C
Conservation Easement

2



El Dorado, County Recorder
William Schultz Co Recorder Office
DOC- 2010-0051518-00

Acct 4-INTER COUNTY TITLE CO
Friday, OCT 29, 2010 15:56:53
Ttl Pd \$90.00 Nbr-0001300087
LJP/C1/1-26

Recording requested, and when recorded, return to:

Placer Land Trust
Attn: Executive Director
11661 Blocker Drive, Suite 110
Auburn, CA 95603

with a conformed copy to:

The American River Conservancy
Attn: Executive Director
348 Highway 49 - P.O. Box 562
Coloma, CA. 95613-0562

Document # _____ *The undersigned (space above this line reserved for recorder's use)*
grantor declares \$0.00
Transfer Tax RTT 11929

GRANT DEED OF CONSERVATION EASEMENT

THIS GRANT DEED OF CONSERVATION EASEMENT is made and entered into this 21st day of October, 2010 by the American River Conservancy ("Grantor") a California, non-profit, public benefit corporation with its principal offices at 348 Highway 49, P.O. Box 562, Coloma, CA 95613 to the Placer Land Trust ("Grantee") a California, non-profit, public benefit corporation with its principal offices at 11661 Blocker Drive, Suite 110 Auburn, CA. 95603
The Grantor and Grantee are collectively referred to as "The Parties".

Exhibits to this Conservation Easement include the following:

- Exhibit A Legal Description of Protected Property
- Exhibit B Aerial Image of the Protected Property
- Exhibit C Grazing Prescription

RECITALS

A. PROTECTED PROPERTY. With the recording of this Grant Deed of Conservation Easement, Grantor will be the owner in fee simple of approximately 272.1 acres made up of seven parcels (APN's: 089-010-59; -60; -61; -62; -63; -64; and -65) of real property in El Dorado County, California, which is legally described in **Exhibit A** and depicted in **Exhibit B** attached hereto, which together with all appurtenances thereto, including without limitation minerals and mineral rights, water and water rights appurtenant to such land, if any, incorporated by reference herein ("**Protected Property**").

B. CONSERVATION VALUES. The Protected Property, in its present state, has significant natural, aesthetic, scientific and educational values as a "relatively natural habitat of

fish, wildlife, or plants or similar ecosystem,” as that phrase is used in Section 170(h)(4)(A)(ii) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder (collectively, “**Conservation Values**”). Such Conservation Values and the Protected Property’s state of improvement are documented in the *Gold Hill Ranch, El Dorado County, California, Conservation Easement Document Report, September 2, 2010*, prepared by the Grantor (the “**Baseline Documentation Report**”).

In particular, the Protected Property is at the headwaters of Granite and Shingle Creeks and is comprised of blue and interior live oak woodland, grassland, lake, pond and wetlands, which collectively is habitat for many species of wildlife including, but not limited to black-tailed deer, grey fox, coyote, bobcat, mountain lion, western pond turtle, western toad, Pacific tree frog, many species of ducks, herons, raptors as well as migratory songbirds and other species.

The Protected Property is also the site of the first agricultural settlement of pioneer Japanese immigrants in North America who established the Wakamatsu Tea and Silk Farm Colony on June 8, 1869. This site became California Registered Historical Landmark No. 815 in June, 1969. The site is listed at the level of National Significance on the National Register of Historic Places. The Protected Property is also the site of an historic dairy and the Veerkamp family farm with its original home dating to the early 1850’s. The Protected Property provides scenic vistas and backdrops along Cold Springs Road – a major, arterial roadway between Placerville and Coloma and the Marshall Gold Discovery State Historic Park and also, nearby family farms and vineyards within the El Dorado Farm Trails Program.

C. **EXISTING USES.** The Protected Property is currently used for cattle grazing and private historical tours. Improvements on the Protected Property are related to historic farm operations, cattle grazing, including fences, ponds, and access roads. The Conservation Values of the Protected Property have not been and are not likely to be adversely affected, to any substantial extent, by the use of the Protected Property for grazing of cattle or native grazing animals, as authorized in this Conservation Easement.

Protection and preservation of the Property, including its wildlife and wildlife habitat, its cultural, historical, agricultural and scenic resources will assure that this area and its existing features will continue to be available and valued for conservation, wildlife habitat, for the development of interpretive cultural and historical facilities and for agricultural production consistent with the Wakamatsu Colony and Veerkamp family history as well as with local land use ordinances and the retention of rural community values.

D. **QUALIFIED ORGANIZATION.** Grantor and Grantee are non-profit, public benefit corporations incorporated under the laws of the State of California, as tax-exempt public charities described in Section 815.3 of the California Civil Code and Sections 501(c)(3) and 509 (a)(1) of the Internal Revenue Code, created to preserve and conserve natural areas for aesthetic, scientific, charitable and educational purposes and are organizations qualified under Section 170(h) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder, to receive qualified conservation contributions.

Grantor is also an organization which is qualified to receive funds under the Farm and Ranch Lands Protection Program (“FRPP”), 16 U.S.C 3838h and 3838i, which is administered by the Natural Resources Conservation Service (“NRCS”), an agency under the United States Department of Agriculture (“USDA,” also generally referred to herein as the “United States”), as

part of the cost of acquiring a conservation easement, in accordance with the cooperative agreement between the United States of America, Commodity Credit Corporation and Grantor, Agreement no. 73-9104-9-17.

It is the purpose of FRPP to purchase interests in land in order to protect prime, unique and other important agricultural soils by preventing the conversion of soils to non-agricultural uses.

NOW THEREFORE, in consideration of the facts above recited and of the mutual covenants, terms, conditions, and restrictions herein contained and pursuant to the laws of the State of California and in particular California Civil Code 815 et seq., the Grantor hereby grants and conveys unto the Grantee, and their successors and assigns a Conservation Easement in perpetuity over the Protected Property consisting of the following terms and conditions ("Easement").

In providing purchase funding to Grantor to initially acquire a conservation easement, the United States is granted the right of enforcement in order to protect the public investment. However, the United States will only exercise those rights as specifically set forth below.

Under this Conservation Easement, the United States is granted the right of enforcement in order to protect the public investment. The Secretary of the United States Department of Agriculture (the Secretary) or his or her assigns, on behalf of the United States, may exercise this right of enforcement under any authority available under State or Federal law if the Grantee fails to enforce any of the terms of this Conservation Easement, as determined in the sole discretion of the Secretary.

1. PURPOSE. The multiple natural, cultural, agricultural and scenic resource conservation purposes of the Conservation Easement are to preserve and protect in perpetuity: (a) the conservation and enhancement of habitat values of the Property for wildlife including the processes which sustain that habitat; and (b) the cultural and historical sites of the Wakamatsu Colony and Veerkamp Family Farm and the ability to develop interpretive facilities open to the public; (c) the protection and development of agricultural enterprises consistent with the Wakamatsu and Veerkamp history; and (d) the open space character and scenic qualities of the Property which are important public benefits and are consistent with the availability of the Property for wildlife habitat, historical and cultural interpretation, and agricultural enterprises.

It is intended that this Conservation Easement shall foster land management practices on the Property that are in harmony with the protection and preservation of the wildlife habitat and the processes that sustain that habitat, and in harmony with the cultural, historical, agricultural and scenic qualities of the Property. It is intended that each such purpose shall be conducted in a manner consistent with all such multiple natural, cultural, historical, agricultural and scenic resource conservation purposes. This Conservation Easement prohibits use of the Property for any purpose that would impair, degrade or interfere with any of the multiple resource conservation purposes stated above.

2. PROHIBITED USES. Any activity on or use of the Protected Property inconsistent with the purpose of this Easement is prohibited. Without limiting the applicability of the

foregoing, the following activities and uses are expressly prohibited except as provided in paragraph 3 below:

2.1. Agricultural Activity. The Protected Property shall not be converted to non-agricultural use. The recreation, open space, natural area preservation and/or restoration uses authorized under the terms of this Easement shall not be considered as conversion to non-agricultural use.

As a condition of receiving funding from the Farm and Ranch Lands Protection Program, and as required by section 1238I of the Food Security Act of 1985, as amended, the Grantor, Grantor's heirs, successors or assigns, shall conduct all agricultural operations on the Protected Property in a manner consistent with a conservation plan for highly erodible lands (HEL) in consultation with NRCS and the Grantee and approved by the Conservation District. This Conservation Plan shall be developed using the standards and specifications of the NRCS Field Office Technical Guide and 7 CFR part 12 that are in effect on the date of this Conservation Easement. However, the Grantor may develop and implement a conservation plan that proposes a higher level of conservation and is consistent with the NRCS Field Office Technical Guide standards and specifications. NRCS and the Grantee shall each have the right to enter upon the Protected Property, with advance notice to the Grantor, in order to monitor compliance with the conservation plan.

In the event of noncompliance with the conservation plan, NRCS shall work with the Grantor to explore methods of compliance and give the Grantor a reasonable amount of time, not to exceed twelve months, to take corrective action. If the Grantor does not comply, NRCS will inform Grantee of the Grantor's noncompliance. Grantee shall take all reasonable steps (including efforts at securing voluntary compliance and, if necessary, appropriate legal action) to secure compliance with the Conservation Plan following written notification from NRCS that (a) there is a substantial, ongoing event or circumstance of non-compliance with the conservation plan, (b) NRCS has worked with the Grantor to correct such noncompliance, and (c) Grantor has exhausted its appeal rights under applicable NRCS regulations.

If the NRCS standards and specifications for HEL are revised after the date of this Grant based on an Act of Congress, NRCS will work cooperatively with the Grantor to develop and implement a revised Conservation Plan. The provisions of this section apply to the highly erodible land conservation requirements of the Farm and Ranch Lands Protection Program and are not intended to affect any other natural resources conservation requirements to which the Grantor may be or become subject.

2.2. Non-Agricultural Commercial Activity. There shall be no industrial, commercial, or for-profit recreational activity undertaken or allowed on the Protected Property. No right of passage shall be granted or retained across or upon the Protected Property if that right of passage is used in conjunction with such prohibited activities on the Protected Property.

2.3. Structures. There shall be no construction or placing of any house, garage, barn or other building or improvement, tennis or other recreational court, golf course, landing strip, mobile home, swimming pool, fence or sign (other than those permitted herein), asphalt, concrete pavement, billboard or other advertising display, antenna, utility pole, tower, conduit, line, wind turbine, automatic yard light (except motion detection lights) or related structures, or

any other temporary or permanent structure or facility on the Protected Property except as provided for in subparagraphs (a) through (e) below or reserved in paragraph 3. Before undertaking any placement or construction that requires advance permission, the Grantor shall notify Grantee and obtain written permission. All construction or reconstruction is subject to all applicable zoning regulations and must be consistent with permits required by and issued by El Dorado County under its laws and ordinances for such construction activities.

(a) *Structures & Improvements* – Structures, improvements, paved roads and other impervious surfaces located on the Protected Property, including those existing on the date of this Easement, as indicated in the Baseline Documentation Report, shall not exceed 2 percent of the total area of the Property. This 2 percent limit is exclusive of the single existing utilities and access easement that is generally located along and/or near to the northern boundary of the Protected Property as shown in the Baseline Documentation Report. Impervious surface is defined as any material which covers land and inhibits the percolation of water directly into the soil, including, but not limited to, buildings, roofing, the area covered by permanent or nonpermanent structures, macadam and pavement, concrete, paved and stone driveways, roads, and parking areas, including proposed structures that are either permanent or temporary.

Existing structures, including agricultural structures and improvements, may be repaired, reasonably enlarged, and replaced at their current locations within the "Farmstead and Interpretive Areas," as shown on Exhibit B, without further permission from the Grantee. New buildings, including houses, barns, sheds, and other structures and improvements to be used primarily for agricultural, interpretive, educational and 'Farm Stay Program' purposes (including the processing or sale of farm products predominantly grown or raised on the Property) may be built on the Property without any further permission of Grantee provided they are located in the "Farmstead and Interpretive Areas."

Any new agricultural buildings, structures or improvements proposed for locations outside the "Farmstead and Interpretive Areas", except for fences and small agricultural structures permitted under paragraph 3 below, may be built only with the advance written permission of the Grantee. The Grantee shall give such permission within a reasonable time if it determines that the proposed building, structure, or improvement would not diminish or impair the Conservation Values of the Protected Property, is not reasonably locatable within the existing Farmstead and Interpretive Areas Envelope, and is not otherwise inconsistent with this Easement.

(b) *Single-Family Residential Dwellings* – Three residential dwellings exist on the Property within the Farmstead Area, and are depicted as "Existing Residences" on Exhibit B. All appurtenant structures (garage, sheds) shall be contained within the "Farmstead Area." No other residential dwellings may be built on the Protected Property.

(c) *Recreational Improvements*. Recreational improvements, except for trails, picnic areas and interpretive panels permitted under paragraph 3.11 below may be built only with the advance permission of the Grantee.

(e) *Utility Services and Septic Systems* – Installation, maintenance, repair, replacement, removal, and relocation of electric, gas, and water facilities, sewer lines and/or other public or private utilities, including telephone or other communication services over or under the Property for the purpose of providing electrical, gas, water, sewer, or other utilities to serve improvements on the Protected Property permitted herein, and the right to grant easements over and under the Property for such limited purposes, is permitted, provided that the impact of such installation and maintenance on the Conservation Values is limited to the greatest extent possible. Grantors shall not permit or grant easements for utility transmission or distribution facilities or systems without the written consent of the Grantee and the United States. Maintenance, repair or improvement of a septic system(s) or other underground sanitary system that exists on the Protected Property at the time of this Easement, or the construction of a septic or other underground sanitary system, for the benefit of any of the improvements permitted herein, is permitted. All other utilities are prohibited on the Protected Property including, but not limited to, cellular communication towers or structures.

2.4. Subdivision. The Protected Property may not be divided, partitioned, subdivided or conveyed except in its current configuration.

2.5. Mining. There shall be no mining, drilling, exploring for or removal of minerals from, on or under the Protected Property.

2.6. Topography. There shall be no ditching, trenching, draining, diking, filling, excavating, removal of topsoil, sand, gravel, rock or other materials (including the removal of substratum from streambeds), or any change in the topography of the land in any manner except in conjunction with activities otherwise specifically authorized herein and in accordance with any Conservation Plan and applicable governmental regulations.

2.7. Water. There shall be no manipulation or alteration of creeks, streams, surface or subsurface springs or other bodies of water or the shorelines thereof, except for those manipulations or alterations designed to benefit the agricultural operation as set forth in paragraph 3 below, and consistent with the Conservation Plan.

2.8. Dumping. There shall be no storage, dumping or accumulation of trash, non-compostable garbage, Hazardous Materials or unsightly or offensive material on the Protected Property, except that certain hazardous or toxic substances and agricultural by-products may be stored on the Protected Property, as needed, in association with agricultural uses otherwise permitted in this Easement, so long as such storage is in accordance with all applicable laws, regulations, and labeling requirements.

2.9. Roads and Impervious Surfaces. There shall be no building of new roads or other rights of ways except for unpaved paths and trails consistent with the preservation of the Protected Property. Existing roads may be maintained but shall not be widened or improved, except as permitted under paragraph 3 below, and with the further exception that the existing access easement road may be improved provided such improvements are consistent with its recorded easement rights and are retained within its easement boundaries.

2.10. Vehicles. There shall be no operation of snowmobiles, dune buggies, motorcycles, all-terrain vehicles (ATVs) or other types of motorized recreational vehicles on the Protected Property, except as necessary to carry-out activities otherwise allowed by this Easement. Cars, trucks, and other farm and ranch vehicles shall not be considered as recreational vehicles when used for the agricultural purposes allowed by this Easement. All permitted vehicle use shall be conducted in a manner that minimizes damage to the Conservation Values of the Protected Property.

2.11. Plant Removal and Introduction. Except as permitted under paragraph 3.10 below, there shall be no excavation and/or removal of native plants on or from the Protected Property except for those designated as noxious weeds or considered to be an invasive woody plant species, or when, based on consultation with and written permission from Grantee, it is agreed that excavation and/or removal of other types of native plants would enhance the Conservation Values of the Protected Property. Grazing and uprooting of native plants by livestock or removal of native species by other agricultural range practices that do not significantly compromise the Conservation Values of the Protected Property shall not be considered excavation or removal.

2.12. Density. Neither the Protected Property nor any portion of it shall be included as part of the gross area of other property not subject to this Easement for the purposes of determining density, lot coverage or open space requirements under otherwise applicable laws, regulations or ordinances controlling land use and building density. The parties have extinguished the development rights. No development rights that have been encumbered or extinguished by this Easement shall be transferred to any other lands pursuant to a transferable development rights scheme, cluster development arrangement or otherwise.

3. **GRANTOR'S RESERVED RIGHTS**. The Grantor reserves for himself/herself, Grantor's heirs, successors and assigns, all rights as owners of the Protected Property to use the Protected Property for all purposes that are not expressly prohibited herein and are not inconsistent with this Easement. The Grantor and Grantee intend that this Conservation Easement shall confine the uses of the Property to the multiple natural resource conservation uses of open space, wildlife habitat, cultural and historical interpretive facilities, agricultural enterprises consistent with the historical use, scenic, and to such other incidental uses which are not specifically prohibited and are consistent with the conservation intent of this easement. Without limiting the applicability of the foregoing, the following rights are expressly reserved:

3.1. Conveyance. Grantor may sell, give, mortgage, lease or otherwise convey the Protected Property, provided that such conveyance is subject to this Easement and written notice is provided to the Grantee in accordance with paragraph 6.6 below.

3.2. Grazing. The grazing of livestock is allowed on a rotational basis in a manner that will: (a) maintain native grassland and oak woodland plant communities, (b) allow for the natural succession of native plant communities and the natural regeneration of oaks and other native shrubs, (c) minimize erosion, (d) minimize invasion by exotic plants by retaining healthy vegetative cover, (e) protect sensitive aquatic resources such as riparian areas, pools, ponds, springs and seeps, and (f) be consistent with the Conservation Plan. Grazing as prescribed by

Exhibit C shall be allowed as an optional method of fire management in addition to other best fire management practices. Additional fencing deemed by Grantor and Grantee to be reasonably necessary to grazing and ecological restoration activities may be constructed. The public will be prevented from accessing areas under the active grazing of livestock.

3.3. Agricultural Operations. The Protected Property may be used for agricultural production, including cultivation of row crops, orchards, hay, pasture, and range; raising of poultry and livestock, breeding or boarding of animals, horticulture, apiaries and viticulture.

3.4. Fences and Other Similar Structures. Grantor may, but shall not be obligated to, repair, replace, maintain, improve or remove any fence or corral located on the Protected Property as of the date of this Easement. The Grantor may construct, repair, replace, maintain, improve or remove additional fencing as the Grantor deems necessary to secure the Protected Property, and as required for permitted grazing of livestock on the Protected Property. Upon the prior written consent of the Grantee, which consent may be given or withheld in the Grantee's sole discretion, Grantor may also construct, repair, replace, maintain, improve or remove small structures and corrals necessary for the agricultural and ranching uses of the Protected Property as permitted herein, such as for the watering, feeding, handling and temporary shelter of livestock.

3.5. Water for Agricultural Purposes. To the extent required for agricultural purposes, including grazing of livestock and crop irrigation on the Protected Property, Grantor may drill water wells, make irrigation improvements, or make improvements to existing stock ponds. New impoundments or expansions of existing impoundments are permitted only with the written permission of the Grantee. Such alterations shall be made in a manner that does not adversely affect water quality or quantity, and minimizes negative impacts to soils. Water-pumping windmills, solar-power water pumps or other non-intrusive water pumping systems may be used to provide ground water to livestock and irrigation for crops.

3.6. Roads. In order to prevent erosion and soil loss, Grantor may relocate existing unimproved pasture roads/trails on the Protected Property, provided their total number and cumulative length does not increase and the disturbance to soils is minimized. Existing pasture roads/trails are identified in the Baseline Documentation Report (defined in Section 6.2 below). Abandoned roads shall be returned to native vegetation cover, either by letting natural succession occur or by replanting with appropriate, native species (based on soil type) using local ecotypes. Existing access easement roads may be maintained and/or improved as described in section 2.9.

3.7. Native Species. Grantor may undertake to restore and/or enhance the native plant and animal communities on the Protected Property to the extent consistent with the other terms of this Easement.

3.8. Hunting and fishing. Grantor, Grantor's invitees, licensees, and lessees may hunt and fish for native or naturalized species on the Protected Property in compliance with all state and federal laws and regulations.

3.9. Signs. Grantor may place on the Protected Property interpretive signs, such as signs identifying that the Protected Property is protected by this Easement, or signs identifying native habitat improvements, as well as "no hunting," "no trespassing" or similar signs.

3.10. Preservation. Grantor may, but shall not be obligated to, undertake activities necessary to maintain or enhance the Conservation Values of the Protected Property, as identified in paragraph B of this Conservation Easement and in the Baseline Documentation Report (defined in Section 6.2 below). Any restoration or enhancement allowed pursuant to this provision must be consistent with the NRCS Conservation Programs Manual (CPM) Part 519.64K that is in effect at the time this Conservation Easement is granted.

3.11 Passive Recreation Uses. To construct, maintain, manage and restrict walking trails, interpretive kiosks, wildlife observation and picnic areas to the extent that can reasonably complement wildlife habitat and without significant impact to wildlife populations.

4. GRANTEE'S RIGHTS. To accomplish the purpose of this Conservation Easement, the rights and interests which are conveyed to the Grantee by this Grant Deed of Conservation Easement include, but are not limited to, the following:

4.1. Preserve and Protect. The Grantee may preserve and protect forever, the ecological, cultural, historical, agricultural and scenic features of the Property subject to the permitted and prohibited activities set forth within this Conservation Easement.

4.2. Entry and Access Rights. The Grantee is hereby granted rights of access to enter upon the Property, using appurtenant easements and rights of way, if any, and may enter upon the Property at reasonable times in order to monitor compliance with and otherwise enforce the terms of this Conservation Easement, to study and make scientific observations of its natural elements and resources to determine whether the Grantor's activities are in compliance with the terms hereof and to take all actions deemed necessary by the Grantee to identify, preserve, protect, enhance and restore the natural, cultural, historical, agricultural and scenic resources on the property. Except in cases where the Grantee determines that immediate emergency entry is required to prevent, terminate, or mitigate environmental or natural resource damage, entry shall be made upon giving notice to Grantor at least twenty four (24) hours in advance as described herein and will not unreasonably interfere with Grantor's management of the Property.

Notwithstanding anything to the contrary herein contained, access shall be limited to no more than three individuals at any given time and no more than twelve such visits per year without the prior written consent of the Grantor. This provision shall not be assumed to allow public access or general entry for any purpose.

The United States, acting by and through the Natural Resources Conservation Service, shall have the right to enter the Protected Property after notifying Grantor for the purposes of ensuring that the Conservation Plan required pursuant to paragraph 2.1 is being implemented appropriately, and as needed to exercise its rights pursuant to paragraphs 4 and 5 of this Easement.

4.3. Enforcement. The Grantee shall prevent any activity on, or use of the Property that is inconsistent with the purposes of this Conservation Easement, and shall enforce the restoration of such areas or features of the Property that may be damaged by any inconsistent activity or use.

5. **RIGHT OF ENFORCEMENT OF THE UNITED STATES OF AMERICA.** Under this Conservation Easement, the United States is granted the right of enforcement in order to protect the public investment. The Secretary of the United States Department of Agriculture (the Secretary) or his or her assigns, on behalf of the United States, may exercise this right of enforcement under any authority available under State or Federal law if the American River Grantee fails to enforce any of the terms of this Conservation Easement, as determined in the sole discretion of the Secretary.

6. **GENERAL PROVISIONS.**

6.1. Perpetual Burden. This Easement shall run with and burden the Protected Property in perpetuity and shall bind the Grantor, Grantor's heirs, successors and assigns.

6.2. Baseline Documentation Report. The Grantor and Grantee agree that the natural characteristics, the ecological and aesthetic features, the physical condition, the present uses and the Conservation Values of the Protected Property at the time of this grant are documented in the Baseline Documentation Report, establishing the condition of the Protected Property at the time of this grant and including reports, maps, photographs and other documentation. A copy of the Baseline Documentation Report is maintained within the offices of the Grantor and Grantee. Such report may be used by Grantee in any enforcement action.

6.3. Access. Nothing contained in this Easement shall give or grant to the public a right to enter upon or to use the Protected Property or any portion thereof where no such right existed in the public immediately prior to the execution of this Easement.

6.4. Assignment. This Easement is in gross and may be assigned or transferred by the Grantee, with the approval of the Secretary of the United States Department of Agriculture, or his or her successors or assigns, and such transfer shall be duly recorded. The Grantee agrees that, if it transfers or assigns its interest in this Easement:

- a. The organization or entity receiving this interest will be a qualified organization as that term is defined in Section 170(h)(3) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder and which is organized and operated primarily for one of the conservation purposes specified in Section 170(h)(4)(A) of the Internal Revenue Code, as that section may be amended from time to time, and in the regulations promulgated thereunder; and
- b. The transferee or assignee will be required to carry out in perpetuity the conservation purposes which this Easement was originally intended to advance.

6.5. Dissolution of Grantee. In the event of the dissolution of the Grantee, and the United States declines to exercise its rights under Paragraph 5 above, the Grantee's interest will

be assigned only to a public body or to a private non-profit organization which is a qualified organization as described in paragraph 6.4 of this Easement and approved by the United States. In addition, all parties shall acknowledge the rights of the California Sierra Nevada Conservancy as a project funder pursuant to a Notice of Unrecorded Grant Agreement (NOUGA) recorded on the same day as this Grant Deed of Conservation Easement.

6.6. Subsequent Transfers by Grantor. Unless this Easement is extinguished, as set forth below, the Grantor agrees that the terms, conditions, restrictions and purposes of this Easement will either be incorporated by reference or inserted by the Grantor in any subsequent deed or other legal instrument by which the Grantor divests himself/herself of any interest in all or part of the Protected Property. The Grantor agrees to notify Grantee, its successors and assigns, and the United States of any such conveyance in writing by certified mail within fifteen (15) days after closing. In addition, all parties shall acknowledge the rights of the California Sierra Nevada Conservancy as a project funder pursuant to a Notice of Unrecorded Grant Agreement (NOUGA) recorded on the same day as this Grant Deed of Conservation Easement.

6.7. Extinguishment. The Grantor agrees that this grant of a perpetual Easement gives rise to a property right, immediately vested in Grantee, with a fair market value that is equal to the proportionate value that the Easement, at the time of this conveyance, bears to the value of the Protected Property as a whole at the time of conveyance. The proportionate value of Grantee's property rights shall remain a constant fractional share of the unrestricted value of the Protected Property. The United States has contributed 25.47% of the purchase price of the easement, and the United States and the Grantee shall each hold an undivided 25.47% and 74.53% interest in the conservation easement respectively. In addition, all parties shall acknowledge the rights of the California Sierra Nevada Conservancy as a project funder pursuant to a Notice of Unrecorded Grant Agreement (NOUGA) recorded on the same day as this Grant Deed of Conservation Easement.

If a subsequent unexpected change in the conditions of or surrounding the Protected Property makes impossible or impractical the continued use of the Protected Property for the conservation purposes described herein, and if the restrictions of this Easement are extinguished by judicial proceedings (including, but not limited to, eminent domain proceedings) then upon the sale, exchange or involuntary conversion of the Protected Property, Grantee shall be entitled to a share of the proceeds at least equal to the proportionate value of the Easement described above. In such event, Grantee shall return 25.47% of those proceeds to the United States, which represents the United States' share of the cost of the Easement. Grantee will use its share of any and all proceeds received for such sale, exchange or involuntary conversion in a manner consistent with the conservation purposes of this Easement or for the protection of a "relatively natural habitat of fish, wildlife, or plants or similar ecosystem," as that phrase is used in Section 170(h)(4)(A)(ii) of the Internal Revenue Code, as that section may be amended from time to time, and in regulations promulgated thereunder.

6.8. Title Warranty. Grantor hereby warrants and represents that the Grantor is seized of the Protected Property in fee simple and has good right to grant and convey this Easement, that the Protected Property is free and clear of any and all encumbrances except those of record that have been approved by Grantee and the United States, and that Grantee and its successors

and assigns shall enjoy all of the benefits derived from and arising out of this Easement. Any present or future mortgage on the Protected Property has been or will be subordinated to this Easement.

6.9. Environmental Warranty. Grantor warrants that it is in compliance with and shall remain in compliance with, all applicable Environmental Laws. Grantor warrants that there are no notices by any governmental authority of any violation or alleged violation of, non-compliance or alleged non-compliance with or any liability under any Environmental Law relating to the operations or conditions of the Property.

Grantor warrants that he or she has no actual knowledge of a release or threatened release of any Hazardous Materials on, at, beneath or from the Property. Moreover, Grantor hereby promises to hold harmless and indemnify the Grantee and the United States against all litigation, claims, demands, penalties and damages, including reasonable attorneys' fees, arising from or connected with the release or threatened release of any Hazardous Materials on, at, beneath or from the Property, arising from or connected with a violation of any Environmental Laws by Grantor. Grantor's indemnification obligation shall not be affected by any authorizations provided by the Grantee or the United States to Grantor with respect to the Property or any restoration activities carried out by Grantee at the Property; provided, however, that Grantee shall be responsible for any Hazardous Materials or conditions contributed after this date to the Property by Grantee.

"Environmental Law" or "Environmental Laws" means any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, guidelines, policies or requirements of any governmental authority regulating or imposing standards of liability or standards of conduct (including common law) concerning air, water, solid waste, hazardous materials, worker and community right-to-know, hazard communication, noise, radioactive material, resource protection, subdivision, inland wetlands and watercourses, health protection and similar environmental health, safety, building and land use as may now or at any time hereafter be in effect.

"Hazardous Materials" means any petroleum, petroleum products, fuel oil, waste oils, explosives, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous wastes, hazardous substances, extremely hazardous substances, toxic substances, toxic chemicals, radioactive materials, infectious materials and any other element, compound, mixture, solution or substance which may pose a present or potential hazard to human health or the environment.

6.10. General Indemnification. Grantor shall indemnify and hold harmless Grantee and the United States, its employees, agents and assigns for any and all liabilities, claims, demands, losses, expenses, damages, fines, fees, penalties, suits, proceedings, actions, and costs of actions, sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, court costs, and reasonable attorneys' fees and attorneys' fees on appeal) to which Grantee and/or the United States may be subject or incur relating to the Property, which may arise from: Grantor's negligent acts or omissions or Grantor's breach of any representation, warranty, covenant,

agreements contained in this Deed, or violations of any Federal, State, or local laws, including all Environmental Laws.

6.11 Real Estate Taxes. The Grantor agrees to pay any and all real property taxes and assessments levied by competent authority on the Protected Property and that Grantee shall have no duty or responsibility to manage or maintain the Protected Property.

6.12. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Protected Property, including the maintenance of adequate comprehensive general liability insurance coverage. Grantor shall keep the Grantee's interests in the Protected Property free of any liens arising out of any work performed for, materials furnished to or obligations incurred by Grantor.

6.13. Re-recording. The Grantee is authorized to record or file any notices or instruments appropriate to assuring the perpetual enforceability of this Easement; for such purpose, the Grantor appoints Grantee as Grantor's attorney-in-fact to execute, acknowledge and deliver any necessary instrument on Grantor's behalf. Without limiting the foregoing, the Grantor agrees to execute any such instruments upon request.

6.14. Definitions. The terms "Grantor" and "Grantee" as used herein shall be deemed to include, respectively, the Grantor, Grantor's heirs, successors and assigns, and Grantee, its successors and assigns.

6.15. Notices. Any notices required under this Easement shall be sent by registered or certified mail, return receipt requested, to the following addresses or such addresses as may be hereafter specified in writing:

GRANTOR

American River Conservancy
Attn: Executive Director
P.O. Box 562
Coloma, CA 95613

GRANTEE

Placer Land Trust
Attn: Executive Director
11661 Blocker Driver, Suite #110
Auburn, CA 95603

UNITED STATES

Natural Resources Conservation Service
On behalf of the Commodity Credit Corporation
430 G Street, #4164
Davis, CA 95616

In addition, all parties shall acknowledge the rights of the Sierra Nevada Conservancy as a project funder pursuant to a Notice of Unrecorded Grant Agreement (NOUGA) recorded on the same day as this Grant Deed of Conservation Easement. A copy of any notices required under this Easement shall also be sent by registered or certified mail, return receipt requested to:

SIERRA NEVADA CONSERVANCY

11521 Blocker Driver, Suite #205
Auburn, CA 95603

6.16. Severability. If any provision of this Easement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of the Easement and the application of such provisions to persons or circumstances other than those as to which it is found to be invalid shall not be affected thereby.

6.17. Liberal Construction. It is the intent of this Conservation Easement to preserve the condition of the Property and each of the multiple natural, cultural, historical, agricultural and scenic resource conservation purposes protected herein, notwithstanding economic or other hardship or changes in surrounding conditions. The provisions of this Conservation Easement shall be liberally construed to effectuate the perpetual purposes of preserving and protecting the natural, cultural, historical, agricultural and scenic resources and other conservation purposes described above, and allowing grantor's management of the Property to the extent consistent with those purposes. Liberal construction is expressly required for purposes of effectuating this Conservation Easement in perpetuity, notwithstanding changed conditions of any kind. The multiple natural resource conservation purposes herein are the intended best and most productive use of the Property. No remedy or election given by any provision in this Conservation Easement shall be deemed exclusive unless so indicated, but it shall, wherever possible, be cumulative with all other remedies at law or in equity. In the event of any conflict between the provisions of this Conservation Easement and the provisions of any use and zoning restrictions of the State of California, the County in which the Property is located, or any other governmental entity with jurisdiction, the more restrictive provisions that would protect the natural resource values shall apply.

6.18. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussion, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein.

6.19. Termination of Rights and Obligations. A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Protected Property, except that liability for acts or omissions prior to transfer shall survive transfer.

6.20 No Merger. Should Grantee acquire fee title to the Protected Property, no merger shall occur and this Easement and the fee shall continue to be managed as separate estates. In the event that the Grantee acquires fee title to the Protected Property, Grantee shall transfer or assign its interest in this Easement pursuant to Paragraph 6.4.

TO HAVE AND TO HOLD the above-described Conservation Easement to the use, benefit, and behalf of the Grantee, its successors and assigns, and the United States of America forever.

IN WITNESS WHEREOF, the Grantor has executed this Conservation Easement this 21st day of October, 2010.

GRANTOR

American River Conservancy

Alan Ehrgott
Alan Ehrgott, Executive Director

STATE OF _____)

COUNTY OF _____)
ss

The foregoing instrument was acknowledged before me this _____ day of _____, 2010 by _____

attached

Notary Public
My Commission Expires:

ACKNOWLEDGMENT

State of California
 County of El Dorado)

On October 21, 2010 before me, L. Machado, notary public
 (insert name and title of the officer)

personally appeared Alan Ercgott
 who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
 subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
 his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
 person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
 paragraph is true and correct.

WITNESS my hand and official seal.



Signature L. Machado (Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Placer

On October 29, 2010 before me, Britanny Holton Notary Public

personally appeared Fred Yeager & Patricia Callan-McKinray

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~are subscribed to the within instrument and acknowledged to me that ~~he~~she/they executed the same in ~~his~~her/their authorized capacity(ies), and that by ~~his~~her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Britanny Holton

Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Grant Deed of Conservation Easement

Document Date: 10/21/10 Number of Pages: 24

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

051518

051518

EXHIBIT A
LEGAL DESCRIPTION

A-1

EXHIBIT A

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

PARCEL NO.1:

The Southeast quarter of the Southeast quarter of Section 29, and the North Half of the Northeast quarter of the Northeast quarter of Section 32, both in Township 11 North, Range 10 East, M.D.M.

The South boundary of said property being subject to that certain Mutual Quitclaim Deed recorded May 10, 1963 in Book 640 of Official Records at Page 241, in the El Dorado County Recorders Office.

EXCEPTING THEREFROM all that portion of that certain Parcel 2 described in the Correctory Deed between Louis P. Veerkamp and Malcolm L. and Helen L. Veerkamp recorded on September 12, 1956 in Book 389 of Official Records at Page 319 in the El Dorado County Recorders Office

Assessor's Parcel No.089-010-60

PARCEL NO.2:

The Southwest quarter of the Southeast quarter and the South half of the Southwest quarter of Section 29, Township 11 North, Range 10 East, M.D.M.

EXCEPTING THEREFROM all that portion of the Parcel described in the Deed between Louis Veerkamp and Mal Veerkamp recorded December 7, 1916 in Book 86 of Deeds at Page 141 in the El Dorado County Recorders Office.

ALSO EXCEPTING THEREFROM all that portion of the Parcel described in the Deed from Malcolm and Helen L. Veerkamp to Gold Trail Union School District recorded September 6, 1957 in Book 414 of Official Records at Page 285 in the El Dorado County Recorders Office.

ALSO EXCEPTING THEREFROM all that portion of the Parcel described in the Deed recorded December May 2, 1896 in Book 47 of Deeds at Page 170 in the El Dorado County Recorders Office.

Assessor's Parcel No. 089-010-59

PARCEL NO. 3:

The North half of the Northeast quarter of the Northwest quarter, the Northwest quarter of the Northwest quarter of the Northeast quarter, the Southeast quarter of the Northeast quarter of the Northwest quarter and the Southwest quarter of the Northwest quarter of the Northeast quarter of Section 32, Township 11 North, Range 10 East, M.D.M.

EXCEPTING THEREFROM all that portion lying Southwesterly of the Northeasterly boundary of the Parcel described in the Deed between Louis Veerkamp and Mal Veerkamp recorded December 7, 1916 in Book 86 of Deeds at Page 141 in the EI Dorado County Recorders Office.

ALSO EXCEPTING THEREFROM all that portion lying South of the North boundary of the Parcel described in the Deed from Maude Panning and Ethel V. Smith to Elwin I and Helen P. Veerkamp recorded September 15, 1945 in Book 202 of Official Records at Page 234 in the EI Dorado County Recorders Office.

ALSO EXCEPTING THEREFROM all that portion of the Parcel described in the Quitclaim Deed from Gold Trail Union Elementary District and Elwin L. and Helen F. Veerkamp recorded September 16, 1963 in Book 654 of Official Records at Page 385 in the EI Dorado County Recorders Office.

The Easterly portion of the South boundary of said property being subject to that certain Mutual Quitclaim Deed recorded May 10, 1963 in Book 640 of Official Records at Page 241 in the EI Dorado County Recorders Office.

Assessor's Parcel No. 089-010-61

PARCEL NO.4:

The North half of the Southeast quarter of Section 29, Township 11 North, Range 10 East, M.D.M.

EXCEPTING THEREFROM all that portion of that certain Parcel 2 described in the Correctory Deed between Louis P. Veerkamp and Malcolm L. and Helen L. Veerkamp recorded on September 12, 1956 in the Book 389 of Official Records at Page 319 in the EI Dorado County Recorders Office.

Assessor's Parcel No. 089-010-62

PARCEL NO.5:

The South half of the Northeast quarter of Section 29, Township 11 North, Range 10 East, M.D.M.

EXCEPTING THEREFROM all that portion of that certain Parcel 2 described in the Correctory Deed between Louis P. Veerkamp and Malcolm L. and Helen L. Veerkamp recorded on September 12, 1956 in Book 389 of Official Records at Page 319 in the EI Dorado County Recorders Office.

Assessor's Parcel No. 089-010-63

PARCEL NO.6:

The Northeast quarter of the Southwest quarter of Section 29, Township 11 North, Range 10 East, M.D.M.

051518

EXCEPTING THEREFROM all that portion of the Parcel described in the Deed from Malcolm and Helen L. Veerkamp to Gold Trail Union School District recorded September 6, 1957 in Book 414 of Official Records at Page 57 in the El Dorado County Records Office.

Assessor's Parcel No. 089-010-64

PARCEL NO. 7:

The Northwest quarter of the Southwest quarter of Section 29, Township 11 North, Range 10 East, M. D.M.

EXCEPTING THEREFROM all that portion of the Parcel described in the Deed from Malcolm and Helen L. Veerkamp to Gold Trail Union School District recorded September 6, 1957 in Book 414 of Official Records at Page 57 in the El Dorado County Records Office.

Assessor's Parcel No. 089-010-65

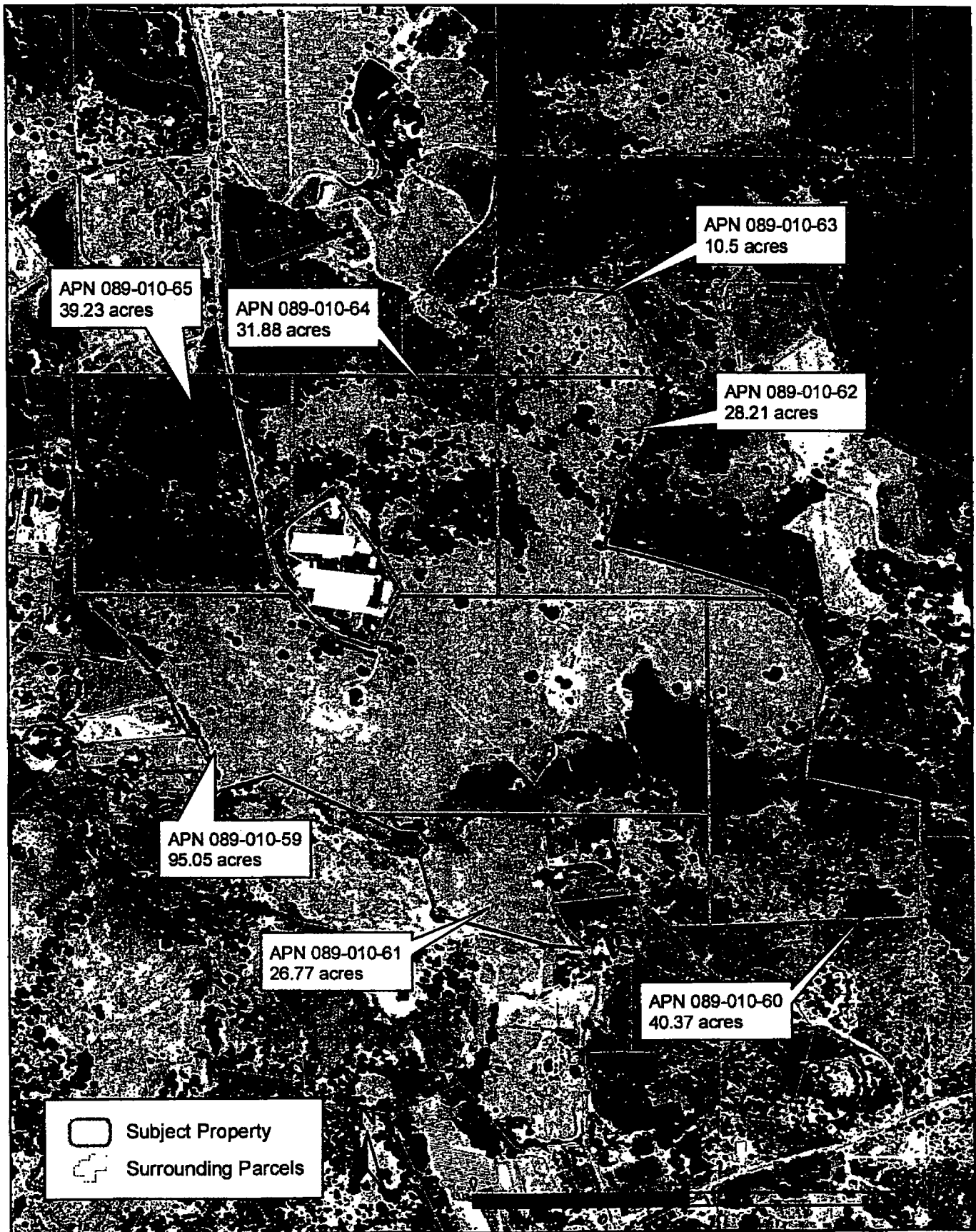
051518

EXHIBIT B

AERIAL IMAGE OF THE SUBJECT PROPERTY

B-1

051518 Gold Hill Ranch



American River Conservancy
June 07, 2010

Data Sources
Aerial image: USDA NAIP 2009
Parcel Map: El Dorado County Assessor's Office 2009

EXHIBIT CGRAZING AND VEGETATION MANAGEMENT PRESCRIPTIONS

1. Baseline Grazing. Grantor (or a lessee) shall be allowed to graze the available rangeland depending on climatic and forage conditions. Grantor and Grantee shall cooperate in monitoring forage with the expressed goal of maintaining a minimum of 500 pounds per acre of residual dry matter at the end of each grazing season. Grantor and Grantee shall utilize the "California Guidelines for Residual Dry Matter (RDM) Management on Coastal and Foothill Annual Rangelands," (University of California ANR Publication 8092, 2002) as provided within Attachment 2 of the Easement Documentation Report as a standard protocol for assessing residual dry matter. Grantor shall utilize whatever reasonable means are available (e.g. shifting the distribution of salt, erecting fences) to distribute grazing across the ranch to assure woody species of shrubs and riparian areas are not excessively browsed and to achieve relatively uniform levels of residual dry matter equal to or in excess of this minimum standard.
2. Vegetation Structure and Diversity. Grantor shall assure that non-native (noxious and invasive) species are contained at current or acceptable levels. Grantor shall assure that the age and structure of woody shrubs, oaks and other native trees are diverse and appropriate to the site. Grantor and Grantee shall monitor riparian and wetland vegetation, and Grantor shall protect the structure and diversity of stream channels to assure that the ecological processes within these riparian corridors are functioning properly.
3. Areas of Botanical Interest. Grantor shall protect and enhance populations of native perennial grasses, forbs, shrubs and trees. Grantor or Grantee shall be allowed to install permanent transect markers for the purpose of demonstrating the recovery of native perennials subject to alternative grazing regimes.
4. The Reduction of Fuel Loads. Grantor shall reduce excessive fuel loads within the oak woodland stands for the express purpose of increasing forage and wildlife habitat and reducing risks of catastrophic fire. Fuel management plans shall be developed in cooperation with the California Department of Forestry and Fire Protection beginning with an assessment of vegetation and fuel conditions. Fuel management may be accomplished by prescription through either mechanical thinning or burning. The thinning of foothill oak woodland areas shall not exceed a reduction below 50% canopy cover.

Exhibit D
Wakamatsu Farm Master Plan Summary

WAKAMATSU FARM MASTER PLAN

Adopted June 2022

1. EXECUTIVE SUMMARY

1.1. Introduction:

Wakamatsu Farm is a special American River Conservancy (ARC) property that supports important environmental and cultural resources, has working farm lands, and attracts visitors from around the world. The purpose of this Wakamatsu Farm Master Plan (Plan) is to guide land use policy, establish guidelines for natural and cultural resource stewardship, identify infrastructure development priorities, provide general direction for programs, and identify fund development opportunities. It lays out specific actions that ARC will implement to help support and manage the property for the next 10 years. It also serves to communicate these program and project priorities to ARC's supporters, partners, and the general public. The Plan is a living document that ARC will review periodically and comprehensively update at least every 10 years.¹

1.2. The Context:

For over 10,000 years, California has been inhabited by indigenous people who helped shape the diverse landscape we know today. The first people of California tended the land in sophisticated ways that modern land managers are only now coming to fully appreciate. The native people of the Coloma area, the Nisenan, called the region that we now know as Gold Hill "*Ek-al Pakan*," which loosely translates to "place where the spring dries."

This is where the 272-acre Wakamatsu Farm, which ARC purchased in October 2010 from the Veerkamp family, is situated. This unique site is where ARC's three pillars of conservation, stewardship, and education come alive for the benefit of many communities and international fellowship with Japan. Wakamatsu Farm provides an extraordinary opportunity to interpret many different layers of human history and connections to the land.

People, and their various connections to the land, have been a part of Wakamatsu Farm landscape for many generations. The arrival of gold miners in 1848-1849 in nearby Coloma devastated the Nisenan and nearby Miwok people, disrupting their close relationship to and active stewardship of the land. After about six years of occupation by gold miners, the property was purchased in 1856 by Charles Graner. The Graner family planted grapevines, and raised livestock as well as fruits and vegetables. In 1869, Charles Graner sold the farm to a group of 22 Japanese colonists fleeing the final battle of Japan's Boshin War. The colonists brought tea plants, mulberry trees, silkworms, and other traditional crops to start a commercial farm that became known as the Wakamatsu Tea and Silk Colony Farm.

Wakamatsu Farm is widely believed to be the first Japanese colony site established in the United States, the birthplace of the first Japanese American and the only colony

¹ The Plan is not a standalone document; rather, it should be used in conjunction with other documents and resources, such as the Grant Deed of Conservation Easement for the Property (2010), the Farm Conservation Plan (2011), and other historical documents that provide additional context and detail about the various resources on site.

established by Japanese samurai outside of Japan. It also contains the gravesite of Okei-San, the first Japanese woman buried on American soil. A combination of drought conditions, contaminated water, and declining investment from their benefactor in Japan ultimately caused the Colony to disband in late 1871.

In 1873, the farm was purchased by the Francis Veerkamp family. The Veerkamps employed at least two of the Japanese colonists, Okei-San and Matsunosuke Sakurai, and raised a variety of crops and animals and ran a dairy operation through 1987.

As a land trust and conservation non-profit organization, ARC is dedicated to preserving the natural, agricultural, and extraordinary cultural resources of this land in perpetuity. Its setting in the rural foothills of the central Sierra Nevada, just 45 minutes from Sacramento, makes it accessible to people from all over the world. The diverse natural resources and agricultural viability of the site create a natural “living laboratory” for learning and discovery. Currently, people of all ages enjoy Farm tours, events, field trips, volunteer programs, gardens, native plant nursery, a wheelchair-accessible trail, teahouse, site rentals, and much more. ARC also leases out 10 acres of cropland and 95 acres of livestock pasture to two independent resident farms, FogDog Farm and Free Hand Farm respectively. In summary, Wakamatsu Farm is a community place to experience natural resources, sustainable agriculture, and cultural history.

Wakamatsu Farm Vision and Values

ARC’s vision for Wakamatsu Farm is to connect people to the land through cultural, agricultural, and natural history experiences and education; maintain a working, regenerative farm site; protect and enhance native habitat and cultural resources; and offer a community space for events.

Woven in with this vision are our values for the Farm:

- the extraordinary diversity and history of human interaction with this land;
- the viability of a well-managed and diverse site;
- organic, regenerative, and sustainable uses of the property;
- the appreciation of the natural resources and beauty of the property;
- conservation and stewardship of the property’s natural, historical, and cultural resources; and
- having the site’s operations and maintenance be financially sustainable.

As a conservation organization based in California’s Upper American River and Upper Cosumnes River watersheds, we acknowledge that we work within the land and waters that make up the ancestral homelands of the Miwok, Nisenan, and Washoe people. We pledge to honor, learn from, and actively engage local tribes in our work.

1.3. Goals and Objectives:

ARC's Goals and Objectives for managing Wakamatsu Farm, along with specific Actions to reach those goals, all stem from the overarching Vision and Values for the property. The Goals and Objectives laid out in Table 1 are all equally important; readers should be mindful that the numbering in the table does not indicate prioritization of one Goal over another. Readers should also understand that there is inherent and desirable overlap among many of the Goals and Objectives. For example, Goal 4 Financial Sustainability objectives regarding fee-based programs and leases connect directly to and support Goal 2 Education objectives and Goal 3 Sustainable Agriculture objectives.

Section 4 delineates specific Actions that ARC intends to implement for each of the following program sectors:

- 4.1. Habitat Protection and Enhancement
- 4.2. Agriculture and Farming
- 4.3. Trails and Recreation
- 4.4. Historic and Cultural Resource Stewardship/Preservation
- 4.5. Public Outreach
- 4.6. Experiential Education
- 4.7. Property Management

Each program sector includes a table that lists the appropriate (for that program) Goals and Objectives from Table 1, along with specific Actions under each Objective. All of the Goals, Objectives, and Actions are then presented together, along with a timeframe for implementation, in the Implementation Plan in Section 6.0.

Table 1. Goals and Objectives For Managing Wakamatsu Farm

GOAL 1	Conservation and Stewardship of Natural, Historical, and Cultural Resources
Objectives	1.1 Monitor sensitive biological resources at the Farm (e.g. blue birds as indicators; native amphibian/reptile presence; plant list; California phenology project)
	1.2 Enhance aquatic resources such as riparian habitat, wetlands, and ponds
	1.3 Enhance native habitat through native plant cultivation and restoration, traditional/cultural practices, and partnerships with other entities
	1.4 Protect, preserve, display, and interpret archeological, historical, and cultural resources
	1.5 Maintain existing trails and roads to minimize soil erosion
	1.6 Enhance fire resiliency of the landscape
	1.7 Identify and preserve designated natural areas within the Farm property to be left undeveloped.
GOAL 2	Connect People to Land and Culture
Objectives	2.1 Develop and deliver engaging and enriching ARC programs, tours and events to the public and learners of all ages
	2.2 Recruit and support ARC volunteers involved in a wide variety of projects and programs
	2.3 Work collaboratively with local organizations, tribes, schools, and agencies to expand understanding of the Property and interpret its natural, historical, and cultural history
	2.4 Manage infrastructure development at the farm that promotes an enjoyable outdoor experience and integrated learning landscape
	2.5 Provide managed public access and outreach opportunities to build support for Wakamatsu Farm/ARC
GOAL 3	Promote a Sustainable, Regenerative Working Landscape
Objectives	3.1 Build and maintain healthy soils that store carbon
	3.2 Provide land and housing for resident farmers to support a local food system
	3.3 Participate in local farming community
GOAL 4	Achieve Financial Sustainability
Objectives	4.1 Secure grants and donations for projects and programs
	4.2 Lease land for farming and residences for farmer housing
	4.3 Hold ARC fundraising events on site
	4.4 Make the site available to the public for suitable venue rentals
	4.4 Provide fee-based public access and educational programs
	4.6 Promote and market Wakamatsu Farm

	4.7 Work towards paying off all loans for the Property
	4.8 Explore other options to help achieve financial sustainability

Exhibit E
Grazing Prescription
(to be developed with Tenant)

LIVESTOCK GRAZING LEASE FOR _____ PROPERTY

This Lease is effective as of _____ and is entered into by and between the American River Conservancy (the "Lessor") and _____ (the "Lessee").

1. **LEASED PREMISES.** Lessor hereby leases to Lessee, to occupy and use for livestock grazing and associated purposes only, that certain real Leased Premises situated in the County of El Dorado, State of California (the "Leased Premises"). This lease covers real Leased Premises, containing ____ acres, as shown on Exhibit "A" attached hereto and made a part hereof. The Leased Premises is also referred to as "NAME."
2. **TERM.** The term of this Lease shall be a ____ year period commencing _____ and continuing through _____.
3. **RENT.** Lessee shall pay Lessor a total of \$XXXXX (_____) with all the rent due upon lease execution and subsequent annual payments made by DATE of each year. Please make payments to the American River Conservancy and mail to Lessor's address, as shown on page 6 of this agreement.
4. **USE.**
 - 4.1. Lessee shall use and occupy the Leased Premises only for the purpose of grazing livestock and raising poultry, including [cows, sheep, goats, chickens, and pigs].
 - 4.2. Lessee shall not install or permit any other person to install on the Leased Premises any underground storage tank or other subsurface container.
 - 4.3. Lessee shall not drill or permit any other person to drill on the Leased Premises for any use whatsoever without prior written consent of Lessor.
 - 4.4. During the term of this Lease, Lessee shall not store, mix, load, transfer or use chemical substances on the Leased Premises, including, but not limited to, pesticides, herbicides, fumigants and fertilizers.
5. **ENVIRONMENTAL COMPLIANCE.**
 - 5.1. For the purpose of this Section 5, the term "Hazardous Substance" shall be defined as any radioactive, hazardous, or toxic substance, material, waste or similar term, the presence of which on the Leased Premises, or the discharge or omission from the Leased Premises:

- 5.1.a. Is prohibited by any statute, regulation, rule, or law of the United States, the State of California, or any local, governmental or regulatory authority exercising jurisdiction over the Leased Premises, as amended from time to time;
- 5.1.b Requires special handling in collection, storage, treatment or disposal by any statute, regulation, rule, or law of the United States, the State of California, or any local, governmental or regulatory authority exercising jurisdiction over the Leased Premises, as amended from time to time;
- 5.2. During the term of this Lease, Lessee, and Lessee's agents, contractors, authorized representatives, invitees, and employees (collectively "Lessee's Agents") shall not engage in the following prohibited activities, and Lessee shall use its best and diligent efforts to see that Lessee's shall not:
- Cause or permit any release or discharge of any Hazardous Substances from the Leased Premises, or
 - Cause or permit any manufacturing, holding, handling, retaining, transporting, spilling, leaking or disposing of any Hazardous Substances in or on any portion of the Leased Premises.
- 5.3. During the terms of this Lease, Lessee shall comply, and cause Lessee's Agents, to comply with all laws, statues, ordinances, rules, and regulations of all authorities having jurisdiction over the Lessee and the Leased Premises in the use, handling, storage, application, or disposal of any chemical substances on the Leased Premises, including but not limited to, pesticides, herbicides, fumigants and fertilizer.
- 5.4. Lessee, if it knows, or has reasonable cause to believe, that any Hazardous Substance has come to be located on the Leased Premises, shall, upon discovery, immediately advise the Lessor of such condition.
- 5.5. Should any Hazardous Substance come to be located on or beneath the Leased Premises as a result of the use of the Leased Premises by Lessee or Lessee's Agents during the term of the Lease, Lessee shall pay immediately when due the cost of removal and/or remediation of any Hazardous Substances from the Leased Premises in compliance with all laws, regulations, and orders of any governmental or regulatory authority have to do with the removal of Hazardous Substances, and shall keep the entire Leased Premises free of any lien imposed pursuant to any such laws, regulations, or orders. Lessee shall immediately advise Lessor in writing of any and all enforcement, cleanup, removal or other governmental or regulatory actions threatened, instituted, or completed with respect to the Leased Premises or any Leased Premises adjoining the Leased Premises pursuant to any Hazardous Substance Laws.

6. **RIGHT OF ENTRY.** Lessor reserves the right for themselves or their agents, employees, assigns, and other persons authorized by Lessor, to enter the Leased Premises at all reasonable times, for the purpose of: (i) posting and/or maintaining any signs or notices; (ii) showing the Leased Premises to prospective purchasers or lenders; (iii) inspecting the Leased Premises and the condition thereof; (iv) altering, improving, or repairing the Leased Premises; (v) conducting tests, studies, surveys, and reports in connection with the condition of the Premises; (vi) conducting member hikes, natural history guided hikes, education field trips, and other outings in connection with Lessor's operation as a community organization; and (vii) ascertaining if the covenants, promises, and agreements of this Lease are being properly performed. Lessor shall not materially interfere with the Lessee's operations upon the leased premises in connection with the Lessor's entry upon the Leased Premises as provided herein.

7. **ACCEPTANCE OF LEASED PREMISES.** Lessee accepts the Leased Premises "as is" as of the Effective Date and agrees that the condition of the Leased Premises is acceptable and suitable for the use intended. Lessor makes no warranty or representation as to the adequacy of the pasturage or water supply, or with regard to any other matter relating to the Leased Premises.

8. **TERMINATION OF LEASE.**

8.1 Notwithstanding anything to the contrary in this Lease, Lessor shall have the right, at any time and from time to time, in its sole and absolute discretion, to terminate this Lease with respect to all or any portion of the Leased Premises by: (i) delivering written notice to Lessee, on a date that is between February 1st and August 31st, informing Lessee that Lessor is exercising its right to terminate the Lease with respect to all or a portion of the Leased Premises ("termination notice"), with such notice identifying the portion of the Leased Premises for which the Lease is being terminated. On or before the termination of the Lease, or part thereof, Lessee shall remove all of Lessee's property, livestock, and trade fixtures from the Leased Premises and vacate the Leased Premises. Lessor shall have the right to terminate the Lease pursuant to its rights hereunder without liability to Lessee.

8.2 In the event Lessor terminates the Lease pursuant to its rights under this section 8, Lessee's Rent obligation shall be proportionally adjusted. Lessor shall make appropriate refunds of prepaid rent if and to the extent applicable.

9. **ASSIGNMENT, SUBLETTING, SUBORDINATION.**

9.1. **Lessee.** Lessee shall not be voluntarily or by operation of law, assign, transfer, mortgage, sublet, or otherwise encumber all or any part of Lessee's interest, in this Lease or in Leased Premises without Lessor's express, prior written consent.

Any attempted assignment, transfer, mortgage, sublet, or otherwise encumbrance without such consent shall be void and shall constitute a breach of this Lease.

9.2. **Lessor.** Lessor may transfer, mortgage, sublet, or otherwise encumber all or any part of Lessor's interest in the Leased Premises, including specifically Lessor's right of entry reserved in paragraph 6 above.

9.3. **Subordination.** This Lease is and shall be subordinate to any encumbrance now of record or recorded after the date of this Lease affecting the Leased Premises. Such subordination is effective without any further act of Lessee. Lessee shall from time to time on request from Lessor execute and deliver any documents or instruments that may be required by a lender to effectuate any subordination.

10. **MAINTAINING THE LEASED PREMISES.**

10.1. **General Maintenance.** Lessee shall maintain the Leased Premises during the term of Lease in as good a condition as such Leased Premises is at the beginning of the lease, normal wear and depreciation, and damage from causes beyond Lessee's control expected.

10.2. **Grazing Prescription/Methods.** Lessee may from time to time graze down forage for the purpose of reseeding pastures using a no-till process. If Lessee does not reseed pastures Lessee shall not cause the Leased Premises to become overgrazed and shall retain a minimum of 400 lbs/acre of Residual Dry Matter ("RDM") on the Leased Premises. Lessee shall graze pastures using regenerative agricultural methods. These methods involve grazing in temporary paddocks setup using movable electric fencing. Livestock shall be moved from paddock to paddock as often as daily, sometimes twice daily, or in some cases after multiple days depending on the grazing objectives. Lessee is free to determine the size of each paddock and rotation through each paddock.

10.3. **Waste.** Lessee shall neither commit nor permit others to use the Leased Premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to , owners or occupants of adjacent properties, nor shall Lessee cause any objectionable odors or noises to be emitted onto adjacent properties.

10.4. **Fences.** Lessee shall maintain the fences, gates and other improvements on the Leased Premises in the same order and condition as when Lessee takes possession.

10.5. **Improvements.** Lessee shall not, without Lessor's express, prior written consent, erect or permit to be erected on the Leased Premises any non-removable structure or building or incur any expenses to Lessor for such purpose. The

exception is a perimeter fence to be constructed per guidelines set forth in Provision 15.1.

- 10.6. **Conservation Structures.** Lessee shall preserve all established water courses or ditches, including grass waterways and refrain from any operation or practice that will injure them.
- 10.7. **Removable Improvements.** Minor improvements of a temporary or removable nature which do not impair the conditions or appearance of the Leased Premises may be made by the Lessee at the Lessee's own expense.
- 10.8. **Compensate for Damages.** Lessee shall, upon termination of this Lease, pay to Lessor reasonable compensation for any damages to the Leased Premises for which Lessee is responsible, ordinary wear and tear, and depreciation expected.
11. **INDEMNITY.** Lessee shall indemnify, defend, and hold harmless Lessor against and from any and all liabilities, claims for damage, cost of attorney's fees, arising from any injury to be caused to any person, including Lessee, or to Leased Premises belonging to anyone, including Lessee, while in, upon, or in any way connected to the Leased Premises, including but not limited to, the conduct of any livestock grazing thereon and any damage caused by the livestock should they escape the fencing of the Leased Premises; and the flooding of public roads or neighboring lands because of improper or inadequate drainage or escaping water due to any cause.
12. **INSURANCE.** Lessee agrees to keep Lessor free from all contractual liability arising out of or in connection with Lessee's use of the Leased Premises and shall indemnify Lessor pursuant to paragraph 9 above. Lessee shall procure and maintain general liability and Leased Premises damage insurance in an amount not less than One Million Dollars (\$1,000,000) for any one accident and One Million Dollars (\$1,000,000) for Leased Premises damage. The policies shall insure and contingent liability of the Lessor, shall name Lessor, its agents, employees and representatives as additional insured and the policies shall be deposited with Lessor. Such insurance shall have an extended liability endorsement and shall cover the contractual liability of the Lessee pursuant to this Lease. The insurer's liability under such insurance policy shall be primary and the insurer shall not claim any right of apportionment, proration, or contribution by reason of any insurance carried by Lessor or any of Lessor's partners. Lessee further agrees to maintain during the term of this Lease at his own expense automobile liability and worker's compensation insurance in amounts satisfactory and otherwise acceptable to Lessor. Lessee shall provide Lessor with a certificate of proof of such insurance concurrent with the commencement of this Lease. The certificate must require the insurer to provide a minimum of thirty (30) days' written notice prior to cancellation, lapse or material modification of the policies. The wording "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" or any similar wording commonly found in the Cancellation

section of the certificate shall be deleted. The certificate shall be signed in ink by the insurer, and shall not be executed a stamped signature.

13. **LIMITATION OF LESSOR'S LIABILITY.** The liability of Lessor for any obligation, claim or liability resulting from this Lease shall be limited to the amount of the Rent specified in Section 3 of this lease, and not partner, officer, director, shareholder or employee of Lessor shall be liable for any such obligation, claim or liability.

14. **TAXES.** Landowner is responsible for property taxes. Tenant shall pay sales taxes and any assessments on personal property and shall pay the same before delinquency. Tenant shall pay all utility expenses (electric, propane, phone, internet, water) connected with the residence and agricultural property.

15. **MISCELLANEOUS PROVISIONS.**

15.1. **Lessee Expenses for Fencing.** Fencing needs shall be communicated in advance and improving or altering fences shall be done at the expense of Lessee. Expenses incurred by Lessee for perimeter fence only may be credited towards ongoing lease payments, with prior approval from Lessor. Lessee shall provide copies of receipts and/or invoices documenting full cost of fencing construction. Any balance or credit due to Lessee at end of Lease term shall be paid in full to Lessee.

15.2. **Default.** Lessor shall have the following remedies if Lessee commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

- Lessor can terminate Lessee's right to possession of the Leased Premises at any time. No act by Lessor other than giving notice to Lessee shall terminate this Lease.
- Lessor, at any time after Lessee commits a default, can cure the default at Lessee's cost. If Lessor at any time, by reason of Lessee's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Lessor shall be due immediately from Lessee to Lessor at the time sum is paid, and if paid at a later date shall bear interest at the maximum rate an individual is by law allowed to charge from the date the sum is paid by Lessor until Lessor is reimbursed by Lessee. The sum, together with interest on it, shall be additional rent.

15.3. **No Partnership Created.** This Lease shall not be deemed to give rise to a partnership between Lessor and Lessee, and neither party shall have authority to obligate the other without written consent.

- 15.4. **Severability.** The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision thereof.
- 15.5. **Headings.** The headings contained in this Lease have been inserted for reference purposes only and shall in no way restrict or modify any of the terms or provision hereof.
- 15.6. **Entire Agreements.** This Lease contains all agreements of the Lessor and Lessee with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matters shall be effective. This Lease may be modified in writing only if signed by parties in interest at the time of the modification.
- 15.7. **Notices.** Any notice to the other party shall be in writing and may be served personally or by regular mail addressed to Lessor or Lessee respectively at the address set forth below:

To Lessor: American River Conservancy
 Attn: Elena DeLacy, Executive Director
 P.O. Box 562
 Coloma, CA, 95613-0562
 Office: (530) 621-1224

To Lessee:

- 15.8. **Waivers.** The waiver by Lessor of any breach of any of the provisions herein contained, on the part of Lessee to be kept and performed, shall not be construed a waiver of any breach thereof subsequently arising or to be a waiver of the breach of any of said provisions.
- 15.9. **Attorney's Fees.** If either Lessor or Lessee brings an action to enforce any of the provisions hereof or declare rights hereunder, the prevailing party in any such action shall be entitled to reasonable attorney's fees to be paid by the losing party as fixed by the court.

IN WITNESS WHEREOF, the parties hereto have executed this Lease in the County of El Dorado, California as the day and year first written above.

LESSOR

American River Conservancy

By: _____
Elena DeLacy, Executive Director

LESSEE

Farm

By: _____
NAME, TITLE

“Exhibit A”
Leased Premises Map