

At-Cost Project Reimbursement and Indemnity Agreement

County of Lake Community Development Department

This At-Cost Reimbursement and Indemnity Agreement (the "Agreement") is made and entered into on _____, 2017 by and between the County of Lake (the "County") and Lotusland Investment Holdings Inc. (the "Developer") with respect to the matters hereinafter stated.

RECITALS

WHEREAS, certain development projects undertaken in Lake County are of an unusual size, scale, and scope requiring extraordinary staff time and oversight due to the breadth of the project and the length of staff time to be expended; and

WHEREAS, the fees reimbursable to the County are generally addressed in the County's existing fee schedule as components of the cumulative services to be performed for such projects, but cannot be more specifically identified due to the inability to estimate with any certainty the actual County costs in performing services related to a project of such size, scale, and scope; and

WHEREAS, it is imperative that the County obtain reimbursement of the actual costs of public funds expended; and

WHEREAS, the parties hereto desire to enter into an agreement to ensure the County's reimbursement and to provide for the indemnification of the County as to any legal challenge relating to the implementation of this Agreement and/or the County's performance relating to the project which is the subject of this Agreement.

1. INTENT

Developer intends to develop a Project generally consisting of a special study area plan for a project known as Guenoc Valley (hereinafter, "Project"). Said Project will be high-end, low-density development consisting of boutique-style hotels, spas, sporting facilities, town centers, museum/cultural centers, and residential components. Said Project shall require substantial staff time to be expended by the Lake County Community Development Department including participation in multiple pre-application conferences, extensive staff time in processing the Project application, several discretionary Project approvals, an environmental review pursuant to the requirements of the California Environmental Quality Act ("CEQA"), and other similar analyses reasonably related to review of the Project. Said services to be provided by the County shall be cumulatively referred to as "Project Services". The legal description of the Project site is attached hereto and incorporated by reference herein as Exhibit "A".

2. REIMBURSEMENT PAYMENTS

Developer hereby agrees to remit payment for the County's provision of these Project Services in the amounts and in the manner more particularly described hereinbelow. Developer acknowledges and agrees that these reimbursement payments do not include fees and charges not specified herein, including but not limited to, additional fees and charges required by law, ordinance, or resolution to be paid to the County or to other agencies by Developer.

3. PAYMENT OF DEPOSIT TO THE COUNTY

Concurrently with the execution of the Agreement, Developer shall pay to the County an initial deposit of sixty thousand dollars (\$60,000) which shall be held by the County in an account and used as a Deposit for Project Services. Once the Developer submits applications for development permits, the deposit shall increase to one

hundred thousand dollars (\$100,000). When the County enters into an agreement with a consultant to prepare the California Environmental Quality Act Environmental Impact Report the deposit will increase to two hundred fifty thousand dollars (\$250,000) Actual costs for County staff time in performing the Project Services shall be based upon hourly rates of ninety-five dollars (\$95.00) per hour.

4. REIMBURSEMENT REQUESTS/PAYMENTS

County shall use the Deposit to pay for the Project Services costs incurred by the County when said costs become due. Upon request by Developer, County shall provide supporting documentation describing the services rendered and the time involved in each task performed.

Whenever the sixty percent (60%) of the amount of said Deposit has been expended, the County shall issue a written notice to Developer to replenish all or a portion of that Deposit and the Developer shall provide such replenishment within fourteen (14) days of same written notice.

The Developer acknowledges and agrees that if the Developer fails to replenish the Deposit as provided herein, the County shall have no further obligation to continue to perform Project Services.

If this Agreement is terminated as provided in section 11 herein, County shall return to the Developer within ninety (90) days following the effective date of that termination that portion of the Initial Deposit, if any that has not been expended or committed by the County in the provision of Project Services.

If the final cost is more than the available deposit, the Developer shall pay the difference within 30 days of billing.

5. ADDITIONAL POTENTIAL COSTS TO BE PAID BY THE DEVELOPER

In addition to the Project Services fees presently known and agreed upon by the parties hereto, there may be additional costs due and payable by the Developer. Should the County make a determination that the Project requires the specialized services of a consultant, the Developer shall pay the actual cost of the consultant's services. This cost may vary depending on the complexity of the analysis. Selection of any consultant shall be at the sole discretion of the Community Development Director or his designee. An estimated cost of the consultant shall be provided to the Developer and shall be paid by the Developer prior to the County initiating any work by consultant.

Further additional actual costs may be incurred and shall be paid by the Developer for any public notices for the project as required by State Law and Local Ordinance and any fees related to permit condition compliance as specified in any conditions of approval for my permit/entitlement.

5. AUTHORITY AND OBLIGATIONS OF THE COUNTY

Time spent by County of Lake staff in performing Project Services *and any actual cost* will be billed against the available deposit. "Staff time" includes, but is not limited to, time spent reviewing application materials, site visits, responding by phone or correspondence to inquiries from the applicant, the applicant's representatives, neighbors and/or interested parties, attendance and participation at meetings and public hearings, preparation of staff reports and other correspondence, processing of any appeals, responding to public records act requests or responding to any legal challenges related to the request. "Staff" includes any employee of the County of Lake Community Development, Water Resources, Public Works, Public Services, Air Quality, Agricultural Commissioner Departments.

Except as other provided herein, the County makes no promise, representation, or warranty, express or implied, that the County, its staff or consultants will provide the Project Services referenced in this Agreement by a certain date. Notwithstanding the foregoing, County staff and consultants will provide Project Services described in this Agreement in a timely manner without unreasonable delay.

6. NO JOINT VENTURE OR PARTNERSHIP

County and Developer hereby renounce the existence of any form of agency relationship, joint venture, or partnership between the County and Developer and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between the County and the Developer.

7. INDEMNIFICATION

Developer agrees to indemnify, defend, and hold harmless the County, its officials, officers, employees, agents, and consultants from and against any and all loss, liability, expenses, claims, costs (including reasonable attorney fees), and damages of any kind arising from any and all administrative, legal, or equitable actions or other proceedings instituted by any person not a party to this Agreement challenging the validity and/or implementation of this Agreement and/or the County's performance of Project Services, and/or the County approval of this Project.

8. NO COMMITMENT AS TO FUTURE APPROVALS/CEQA PROCESSING

Nothing in this Agreement shall be in any way construed as a commitment by the County to grant or issue any Project approvals or any other preliminary or final approvals in connection with the Project. The Developer acknowledges and agrees that nothing in this Agreement limits the County's discretion with regard to any aspect of the Project. Developer agrees that it shall remain obligated to pay all Project Services costs which have accrued regardless of whether any aspect of the Project is approved.

Developer acknowledges and agrees that the County is the lead agency under CEQA and that the EIR and any other CEQA documents must reflect the County's independent judgment and that the County retains full discretion with regard to all findings to be made in connection therewith.

9. TERMINATION

The Developer may terminate this Agreement by providing thirty (30) days written notice to the County. In the event the Developer terminates this Agreement, the Developer shall remain liable for payment of all Project Services costs incurred by the County prior to the effective date of the written notice of termination.

If the Developer fails to provide replenishment of the Deposit within fourteen (14) days of the issue of a written notice by County to do so, as described in section 4 herein, County's obligation to perform Project Services under this Agreement ceases.

10. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of the parties with regard to the matters set forth herein. Any amendments, modification, or changes to this Agreement shall be in writing and executed by both parties.

11. SEVERABILITY

If any provision of this Agreement or the application of any such provision shall be held by a court of competent jurisdiction to be invalid, void, or unenforceable to any extent, the remaining provisions of this Agreement and the application thereof shall remain in full force and effect and shall be affected, impaired, or invalidate.

12. JURISDICTION AND VENUE

This Agreement shall be construed in accordance with the laws of the State of California and the parties hereto agree that venue of any action or proceeding regarding this Agreement or performance thereof shall be in Lake County, California.

13. NO THIRD-PARTY BENEFICIARIES

Nothing in this Agreement shall be construed to create, and the parties do not intend to create, any rights in or for the benefit of third parties.

14. NOTICES

All notices that are required to be given by one party to the other under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited with the United States Post Office for delivery by registered or certified mail addressed to the parties at the following addresses are changed by notice, in writing, to the other party.

County of Lake
255 N. Forbes Street
Lakeport, CA. 95453
Attn: Community Development Director

Lotusland Investment Holdings Inc.
One Embarcadero Center Suite 730,
San Francisco,
California 94111, USA

County and Developer have executed this Agreement on day and year first written above.

COUNTY OF LAKE

DEVELOPER

Chair, Board of Supervisors

ATTEST: Carol J. Huchingson
Clerk to the Board of Supervisors

APPROVED AS TO FORM:
Anita L. Grant
County Counsel

By: _____

By: _____

EXHIBIT A

Legal Description of Properties

[See Attached]

EXHIBIT "A"

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA, COUNTY OF LAKE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

TRACT ONE – Intentionally Deleted:

TRACT TWO – Intentionally Deleted:

TRACT THREE:

Certificate of Compliance No. CC 11-30

Lots numbered Five, Six, Seven and Ten of Section Six in Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006016.

APN: 013-022-01 (portion)

Certificate of Compliance No. CC 11-31

The Northeast quarter of Section Twelve in Township Ten North, Range Six West, Mount Diablo Meridian.

Excepting therefrom the Southwest quarter of the Northeast quarter of said Section Twelve.

All as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006010.

APN: 013-023-15 (portion)

Certificate of Compliance No. CC 11-32

Lot numbered One and the Northeast quarter of the Northwest quarter of Section Twelve, and the Lot numbered Ten and the East half of the Southwest quarter of Section One, all in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006011.

APN's: 013-023-15 (portion) and 013-023-10 (portion)

Certificate of Compliance No. CC 11-33

Lots numbered One and Two of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006015.

APN: 013-023-07 (portion)

Certificate of Compliance No. CC 11-34

The Southeast quarter of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006012.

APN: 013-023-07 (portion)

EXHIBIT "A"

Legal Description

Certificate of Compliance No. CC 11-35

Lot One of Section Thirty and Lots Three and Four and the Southeast quarter of the Southwest quarter of Section Nineteen, Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom the following:

Tract One:

Commencing at the Northwest corner of the Northeast quarter of the Northwest quarter of Section Thirty, Township Eleven North, Range Five West, M.D.M., and running South 33°15' West 911 feet; thence East South 480 feet to the South line of Lot One of said Section Thirty; thence East along said Lot line 502 feet to the Southeast corner thereof; thence North 1,320 feet along the East line of said Lot One to the place of beginning.

Tract Two:

Commencing at the Northwest corner of the Northeast quarter of the Northwest quarter of Section Thirty, Township Eleven North, Range Five West, M.D.M., and running North 33°15' East 89.7 feet; thence East 1,300 feet, parallel to the North line of said Section Thirty, to a point 75 feet North of the Northeast corner of said Northwest quarter of Section Thirty; thence South to the said Northeast corner of the Northwest quarter of Section Thirty; thence West 1,350 feet along the North line of said Section Thirty to the place of beginning.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007456.

APN's: 013-019-05 (portion), 013-019-09 (portion) and 013-021-06 (portion)

Certificate of Compliance No. CC 11-36

Lot numbered Four of Section Two, and the Lots numbered Eight and Nine, and the West half of the Lot numbered Seven of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006017.

APN's: 013-023-07 (portion) and 013-023-10 (portion)

Certificate of Compliance No. CC 11-37

Lots numbered Eleven and Twelve and the Southeast quarter of the Southwest quarter of Section Six, and the Northwest quarter of the Northwest quarter of Section Seven in Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006013.

APN's: 013-022-01 (portion) and 013-022-15

Certificate of Compliance No. CC 11-38

Lots numbered Two, Three and Four and the Southeast quarter of the Southwest quarter of Section Thirty in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006014.

EXHIBIT "A"

Legal Description

APN: 013-021-06 (portion)

Certificate of Compliance No. CC 11-39

The Southwest quarter of the Northeast quarter and the South half of the Northwest quarter of Section Twenty-five, and the Southeast quarter of the Northeast quarter of Section Twenty-six, all in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007458.

APN's: 013-016-04 (portion) and 013-016-08 (portion)

Certificate of Compliance No. CC 11-40

The East half of the Northeast quarter of Section Thirty-one, and the South half of the Southeast quarter of Section Thirty, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006018.

APN's: 013-021-06 (portion) and 013-021-09 (portion)

Certificate of Compliance No. CC 11-41

The Southwest quarter of the Northeast quarter, the North half of the Southeast quarter and the Northeast quarter of the Southwest quarter of Section Nineteen, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006019.

APN's: 013-019-05 (portion) and 013-019-09 (portion)

Certificate of Compliance No. CC 11-42

The North half of the South half of Section Twenty-five and the Northeast quarter of the Southeast quarter of Section Twenty-six, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017313.

APN's: 013-016-04 (portion) and 013-016-08 (portion)

Certificate of Compliance No. CC 11-43

The East half of the Southeast quarter of Section Twenty-four, and the East half of the Northeast quarter of Section Twenty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005996.

APN's: 013-015-28 (portion) and 013-016-04 (portion)

Certificate of Compliance No. CC 11-44

Lot Four of Section One, Lot One of Section Two in Township Ten North, Range Six West, Mount Diablo Meridian, and Lot Four of Section Thirty-five in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005997.

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Legal Description

APN's: 013-016-05 (portion) and 013-023-10 (portion)

Certificate of Compliance No. CC 11-45

Lots numbered One and Two, the Southeast quarter of the Northwest quarter and the Northeast quarter of the Southwest quarter of Section Twenty-six, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007459.

APN: 013-016-08 (portion)

Certificate of Compliance No. CC 11-46

The South half of the Southeast quarter of Section Fifteen and the East half of the Northeast quarter of Section Twenty-two, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005998.

APN's: 013-024-12 (portion) and 013-024-28 (portion)

Certificate of Compliance No. CC 11-47

The South half of the Southwest quarter of Section Twenty-five, and the Southeast quarter of the Southeast quarter, the Northwest quarter of the Southeast quarter, and the Southwest quarter of the Northeast quarter of Section Twenty-six, all in Township Eleven North, Range Six West, Mount Diablo Meridian

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007460.

APN's: 013-016-04 (portion) and 013-016-08 (portion)

Certificate of Compliance No. CC 11-48

The West half of the Southeast quarter and the East half of the Southwest quarter of Section Twenty-four, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005999.

APN: 013-015-28 (portion)

Certificate of Compliance No. CC 11-49

Lot numbered Two and the Southeast quarter of the Northwest quarter of Section Nineteen in Township Eleven North, Range Five West, Mount Diablo Meridian, and the South half of the Northeast quarter of

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Legal Description

Section Twenty-four, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006000.

APN's: 013-015-29 (portion) and 013-019-05 (portion)

Certificate of Compliance No. CC 11-50

The Northwest quarter of the Southwest quarter, the South half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section Twenty-four, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007463.

APN's: 013-015-28 (portion) and 013-015-29 (portion)

Certificate of Compliance No. CC 11-51

The East half of the Northeast quarter, the Northwest quarter of the Northeast quarter and the Northeast quarter of the Northwest quarter of Section Nineteen, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006001.

APN: 013-019-05 (portion)

Certificate of Compliance No. CC 11-52

Lot numbered Two of Section Fifteen, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006002.

EXCEPTING THEREFROM an undivided one-sixteenth of all coal, oil, oil shale, gas, phosphate, sodium, and other mineral deposits reserved to the State of California pursuant to an Act of the Legislature Chapter 303, Statutes of 1921, as amended.

APN: 013-024-28 (portion)

Certificate of Compliance No. CC 11-53

Lot numbered Three and the Southwest quarter of the Southeast quarter of Section Twenty-six and the Lot numbered One and the Northeast quarter of the Northeast quarter of Section Thirty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that portion as described in Book 226 of Official Records, Page 371, Lake County Records.

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All as described in that certain Certificate of Compliance recorded May 1, 2012 in Official Records of Lake County under Document No. 2012007462.

APN's: 013-016-05 (portion) and 013-016-08 (portion)

Certificate of Compliance No. CC 11-55

The South half of the Southeast quarter of Section Six, and the West half of the Northeast quarter of Section Seven, all in Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006003.

APN's: 013-022-05 (portion) and 013-022-14 (portion)

Certificate of Compliance No. CC 11-57

The South half of the Southeast quarter of Section Twenty-five in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006020.

EXCEPTING THEREFROM an undivided one-sixteenth of all coal, oil, oil shale, gas, phosphate, sodium, and other mineral deposits reserved to the State of California pursuant to an Act of the Legislature Chapter 303, Statutes of 1921, as amended.

APN: 013-016-04 (portion)

Certificate of Compliance No. CC 11-58

The North half of the Northwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom the portion lying within Napa County.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017314.

EXCEPTING THEREFROM an undivided one-sixteenth of all coal, oil, oil shale, gas, phosphate, sodium, and other mineral deposits reserved to the State of California pursuant to an Act of the Legislature Chapter 303, Statutes of 1921, as amended.

APN: 013-021-10 (portion)

Certificate of Compliance No. CC 11-60

The West half of the Northeast quarter and the North half of the Southeast quarter of Section Thirty-one, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain

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Legal Description

Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006022.

APN: 013-021-09 (portion)

Certificate of Compliance No. CC 11-61

Lots Five and Six of Section One, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006023.

APN's: 013-023-07 (portion) and 013-023-10 (portion)

Certificate of Compliance No. CC 11-63

The South half of the Southeast quarter, the Northwest quarter of the Southeast quarter, the Northeast quarter of the Southwest quarter, the South half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section Seven in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom the following:

- 1) Any portion lying within the County of Napa.
- 2) All the portion as described in the Lot Line Adjustment recorded March 12, 1998, in Document No. 98-003880.
- 3) Any portion lying within the South half of the Northwest quarter and the Northeast quarter of the Northwest quarter of Section 7.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017315.

APN'S: 013-022-14 (portion)

Certificate of Compliance No. CC 11-64

The Northwest quarter of the Southwest quarter, Lot Six and the West half of Lots Seven and Eight of Section Five, the North half of the Southeast quarter, the Northeast quarter of the Southwest quarter and Lots One, Two, Three, Four, Eight and Nine of Section Six, all in Township Ten North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006005.

EXCEPTING FROM the West half of Lots Seven and Eight all coal and other minerals in said land together with the right to prospect for, mine, and remove the same pursuant to the Act of December 29, 1916 (39 Stat., 862) as reserved in the patent from the United States of America, recorded in Book 9 of Patents, Page 280, Records of said County.

APN's: 013-022-01 (portion), 013-022-02 (portion) and 013-022-05 (portion)

Certificate of Compliance No. CC 11-65

The West half of Section Thirty-one in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006004.

APN: 013-021-09 (portion)

EXHIBIT "A"

Legal Description

Certificate of Compliance No. CC 11-66

Lots Two and Three and the Southeast quarter of the Northeast quarter of Section Thirty-five, in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005987.

APN: 013-016-05 (portion)

Certificate of Compliance No. CC 11-68

The Southeast quarter of the Southeast quarter of Section Twenty-three, and the Northeast quarter of the Northeast quarter of Section Twenty-six, in Township Eleven North, Range Six West, Mount Diablo Meridian.

Excepting therefrom that parcel of land as described in Book 226 of Official Records, Page 371, Lake County Records.

All as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005989.

APN: 013-016-08 (portion)

Certificate of Compliance No. CC 11-69

The Southwest quarter of the Northeast quarter of Section Twelve, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005990.

APN: 013-023-15 (portion)

Certificate of Compliance No. CC 11-74

Section Thirty-six in Township Eleven North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005991.

APN: 013-016-06

Certificate of Compliance No. CC 11-75

The East half of Lot Seven of Section One in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005992.

APN: 013-023-07 (portion)

Certificate of Compliance No. CC 11-76

The West half of the Southwest quarter and the Northeast quarter of the Southwest quarter and the Northwest quarter of the Southeast quarter of Section Thirty-two, in Township Eleven North, Range Five

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Legal Description

West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017316.

APN: 013-021-10 (portion)

Certificate of Compliance No. CC 11-77

The West half of the Northwest quarter, and the Southeast quarter of the Northwest quarter, and the Southwest quarter of the Northeast quarter of Section Thirty-two, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017317.

APN: 013-021-10 (portion)

Certificate of Compliance No. CC 11-78

Lot Three of Section One, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006006.

EXCEPTING THEREFROM all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral deposits, contained in said land, and further reserving to the state of California, and persons authorized by the State, the right to drill for and extract such deposits of oil and gas or gas, and to prospect for, mine, and remove such deposits of other minerals from said land, and to occupy and use so much of the surface of said land as may be required therefore, upon compliance with the conditions and subject to the provisions and limitations of Chapter 5, Part I, Division 6 of the public Resource Code, as reserved in the patent from the State of California, recorded in Book 268, Page 229, Official Records of said County.

APN: 013-023-06

Certificate of Compliance No. CC 11-79

The Northwest quarter of the Southwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017318.

Excepting Therefrom one-sixteenth of all coal, oil, gas and other mineral deposits contained therein, as reserved in the Patent from the State of California to A.R. Asbill, dated October 13, 1925, recorded November 2, 1925 in Book 9 of Patents, at Page 230.

APN: 013-021-10 (portion)

Certificate of Compliance No. CC 11-80

Lot Two, Section Twelve in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006007.

APN: 013-023-09

EXHIBIT "A"

Legal Description

Certificate of Compliance No. CC 11-81

Lot Three, Section Two in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006008.

APN: 013-023-10 (portion)

Certificate of Compliance No. CC 11-82

Lot Two, Section Two in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012006009

EXCEPTING THEREFROM all oil, gas, oil shale, coal, phosphate, sodium, gold, silver, geothermal and all other mineral deposits, contained in said land, and further reserving to the state of California, and persons authorized by the State, the right to drill for and extract such deposits of oil and gas or gas resources, and to prospect for, mine, and remove such deposits of other minerals from said land, and to occupy and use so much of the surface of said land as may be required therefore, upon compliance with the conditions and subject to the provisions and limitations of Chapter 5, Part I, Division 6 of the public Resource Code, as reserved in the patent from the State of California, recorded in Book 899, Page 694, Official Records of said County.

APN: 013-023-11

Certificate of Compliance No. CC 11-83

The Southeast quarter of the Northeast quarter and the East half of the Southeast quarter of Section Thirty-two, and the Southwest quarter of the Southwest quarter of Section Thirty-three, all being in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017319.

Excepting from said lands lying within Section Thirty-three, one-sixteenth of all coal, oil, gas and other mineral deposits contained therein, as reserved in the Patent from the State of California to A.R. Asbill, dated October 13, 1925, recorded November 2, 1925 in Book 9 of Patents, at Page 230.

APN: 013-021-10 (portion)

Certificate of Compliance No. CC 11-84

The Southeast quarter of the Northeast quarter and the Northeast quarter of the Southeast quarter of Section Seven, and the West half of the Southwest quarter of Section Eight, all in Township Ten North, Range Five West, Mount Diablo Meridian.

EXHIBIT "A"

Legal Description

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017320.

APN: 013-022-14 (portion)

Certificate of Compliance No. CC 11-85

The Southwest quarter of the Southwest quarter of Section Five, the Northeast quarter of the Northeast quarter of Section Seven, and the West half of the Northwest quarter of Section Eight, all in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017321.

APN's: 013-022-02 (portion) and 013-022-14 (portion)

Certificate of Compliance No. CC 11-86

The Southeast quarter of the Southeast quarter of Section Thirty-one, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005988.

APN: 013-021-09 (portion)

Certificate of Compliance No. CC 11-87

The Southwest quarter of the Northwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005993.

Excepting Therefrom one-sixteenth of all coal, oil, gas and other mineral deposits contained therein, as reserved in the Patent from the State of California to A.R. Asbill, dated October 13, 1925, recorded November 2, 1925 in Book 9 of Patents, at Page 230.

APN: 013-021-10 (portion)

Certificate of Compliance No. CC 11-88

The Southwest quarter of the Southeast quarter of Section Thirty-one, in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded April 3, 2012 in Official Records of Lake County under Document No. 2012005994.

APN: 013-021-09 (portion)

Certificate of Compliance No. CC 11-89

EXHIBIT "A"

Legal Description

The South Half of the Southeast quarter and the Northwest quarter of the Southeast quarter and the Northeast quarter of the Southwest quarter of Section Twenty-eight, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017322.

APN: 013-021-05

Certificate of Compliance No. CC 11-90

Lots numbered Four and Five of Section Five in Township Ten North, Range Five West, Mount Diablo Meridian, and the Southeast quarter of the Southwest quarter, and the Southwest quarter of the Southeast quarter of Section Thirty-two in Township Eleven North, Range Five West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017323.

APN's: 013-021-10 (portion) and 013-022-02 (portion)

Certificate of Compliance No. CC 11-91

The Southeast quarter of the Northwest quarter of Section Thirty-three, in Township Eleven North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017324.

EXCEPTING THEREFROM an undivided one-sixteenth of all coal, oil, oil shale, gas, phosphate, sodium, and other mineral deposits reserved to the State of California pursuant to an Act of the Legislature Chapter 303, Statutes of 1921, as amended.

APN: 013-021-10 (portion)

Certificate of Compliance No. CC 11-92

Lots One and Two, the East half of Lot Eight, the East half of Lot Seven and the East half of the Southwest quarter of Section Five, and the East half of the Northwest quarter and the Northeast quarter of the Southwest quarter of Section Eight, all in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded October 12, 2012 in Official Records of Lake County under Document No. 2012017325.

EXHIBIT "A"

Legal Description

APN: 013-022-02 (portion)

Certificate of Compliance No. CC 12-16

Lot Three of Section Five in Township Ten North, Range Five West, Mount Diablo Meridian.

Excepting therefrom any portion lying within the County of Napa.

All as described in that certain Certificate of Compliance recorded March 6, 2013 in Official Records of Lake County under Document No. 2013003323.

APN: 013-022-02 (portion)

Certificate of Compliance No. CC 12-17

The Southwest quarter of the Southwest quarter of Section Twenty-four and the North half of the Northwest quarter and the Northwest quarter of the Northeast quarter of Section Twenty-five, in Township Eleven, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded March 6, 2013 in Official Records of Lake County under Document No. 2013003324.

APN: 013-015-028 (portion) and 013-016-004 (portion)

Certificate of Compliance No. CC 12-18

The West half of the Northeast quarter and the East half of the Northwest quarter of Section 22, in Township Ten North, Range Six West, Mount Diablo Meridian, as described in that certain Certificate of Compliance recorded March 6, 2013 in Official Records of Lake County under Document No. 2013003325.

APN: 013-024-12 (portion)

Lot Line Adjustment No. 98-003880

All that certain real property designated and described in Exhibit "A" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lots numbered Three and Four of Section Fifteen, and Lot number Four and that portion of Lot numbered Three of Section Fourteen, lying Southerly of the South line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County

EXHIBIT "A"

Legal Description

Recorder, of the County of Lake, on February 27, 1957, in Book 273 of Official Records at Page 304, all lying within Township Ten North, Range Six West, Mount Diablo Meridian.

APN's: 013-024-29

All that certain real property designated and described in Exhibit "B" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

All that portion of Lot numbered Two and that portion of the Southwest quarter of the Northeast quarter of Section Fourteen, Township Ten North, Range Six West, Mount Diablo Meridian, lying South of the Southerly line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder of the County of Lake, on November 22, 1955 in Book 259 at Page 203, Lake County Records.

APN: 013-024-30

All that certain real property designated and described in Exhibit "H" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lot Numbered One in Section Eleven, Lots numbered Four and Five, and that portion of the Southwest quarter of the Southeast quarter of Section Twelve, lying Northwesterly of a line described as Beginning at the Southwest corner of said Southwest quarter of the Southeast quarter and running thence Northeasterly, in a direct line, to the Northeast corner of said Southwest quarter of the Southeast quarter of said Section Twelve; all lying with Township Ten North, Range Six West, Mount Diablo Meridian.

APN: 013-023-13

All that certain real property designated and described in Exhibit "I" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lot numbered Three, the Southeast quarter of the Northwest quarter, the Northwest quarter of the Southeast quarter, and that portion of the Northeast quarter of the Southeast quarter, lying Northwesterly of a line described as Beginning at the Southwest corner of said Northeast quarter of the Southeast quarter, and running thence Northeasterly, in a direct line, to the Northeast corner of said Northeast quarter of the Southeast quarter of Section Twelve, Township Ten North, Range Six West, Mount Diablo Meridian.

APN: 013-023-14

All that certain real property designated and described in Exhibit "J" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

The Northeast quarter of the Northwest quarter, the North half of the South half of the Northwest quarter, and the Southwest quarter of the Southwest quarter of the Northwest quarter of Section Seven, Township Ten North, Range Five West, Mount Diablo Meridian.

APN: 013-022-13

EXCEPTING FROM TRACT THREE above described any portion thereof lying within the County of Napa, State of California.

EXHIBIT "A"

Legal Description

ALSO EXCEPTING THEREFROM any portion thereof of Tract Three lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

(Deleted paragraph)

TRACT FOUR :

Lots 1 and 3 as shown on that certain Subdivision Map filed in the office of the County Recorder of said Lake County on December 17, 1999 in Book 15 of Subdivision Maps at Pages 46, 47, 48 and 49 being a portion of Parcel Z as shown on a map filed in the office of the County Recorder of said Lake County on March 31, 1981, in Book 19 of Parcel Maps at Page 48.

EXCEPTING THEREFROM all that portion thereof granted to the County of Lake by Deed recorded June 12, 1974, in Book 763 of Official Records at Page 188.

APN's: 014-310-07-01, 014-310-09-01, 014-330-09-01, 014-340-04-01, 014-004-25-01, 014-320-08-00 and 014-320-10.

TRACT FIVE :

All that certain real property designated and described in Exhibit "C" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

All that portion of the Northwest quarter of the Southwest quarter of Section Thirteen, Township Ten North, Range Six West, Mount Diablo Meridian, lying South of the Southerly line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake, on July 13 1955, in Book 254 of Official Records at Page 399, Lake County Records.

APN 013-024-31

TRACT SIX:

All that certain real property designated and described in Exhibit "D" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

The Northeast quarter of the Southwest quarter, the Northwest quarter of the Southeast quarter, the East half of the Southeast quarter of the Southwest quarter, and the South half of the Southeast quarter of Section Thirteen, the East half of the Northeast quarter of the Northwest quarter and the North half of the Northeast quarter of Section Twenty-four, Township Ten North, Range Six West, Mount Diablo Meridian.

EXCEPTING THEREFROM that portion lying North of the South line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake, on July 13, 1955, in Book 254 of Official Records at Page 399, Lake County Records.

ALSO EXCEPTING THEREFROM any portion of the lands described herein, which may lie within Napa County, California.

EXHIBIT "A"

Legal Description

APN's 013-024-35 and 013-024-36

TRACT SEVEN :

Parcel No. 1 as shown on a map filed in the Office of the County Recorder of said Lake County on October 29, 1974, in Book 8 of Parcel Maps at Page 23, and being part of Section 28, 29 and 32, all in Township 11 North, Range 5 West, M.D.M.

APN 013-053-01-01

TRACT EIGHT - Intentionally Deleted

TRACT NINE:

An Easement to overflow the following described real property conveyed in that certain Grant Deed recorded February 15, 1980, in Book 1029, Page 51, of Official Records from Paul Beckner and Sally Beckner, being the sole heirs at law of, and being the sole legatees and devisees of Laurence T. Pease and Gertrude D. Pease, his wife to Magoon Estate Limited, a corporation more particularly described as follows:

BEGINNING at the Northeastly corner of that certain tract of land conveyed by Oliver P. Poulsen to Elmer E. Noyes by deed dated February 7, 1886, recorded June 18, 1886 in Book 17 of Deeds, at Page 444, Lake County Records; thence from said point of beginning North 54° 49' 40" West, 110.26 feet; thence South 60° 05' 29" West, 410.92 feet; thence North 67° 52' 42" West, 240.63 feet; thence North 50° 50' 14" West, thence North 50° 20' 18" West 486.10 feet; thence North 41° 30' East 80.00 feet; thence South 60° 30' East 180.00 feet thence North 68° 30' East 175 feet; thence North 21° 30' West 205.00 feet; thence North 77° 21' 32" East 47.45 feet; thence South 39° 30' East 580.00 feet; thence North 72° 20' East, 170.00 feet; thence South 73° 00' East, 220.00 feet; thence South 27° 15' East, 295.00 feet to the point of beginning.

TRACT TEN :

Parcel One:

All that certain real property designated and described in Exhibit "E" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lots numbered 1, 2, and 3, and the South half of the Northeast quarter of Section 14, the Northwest quarter, the North half of the Southwest quarter, the North half of the Northeast quarter, the Southwest quarter of the Northeast quarter, and the West half of the Southeast quarter of Section 13, and that portion of the Southeast quarter of Section 12, lying Southeasterly of a line described as beginning at the Southwest corner of said Southeast quarter of Section 12 and running from said point of beginning, Northeastly, in a direct line, to the Northwest corner of the Southeast quarter of the Southeast quarter of said Section 12, and thence Northeastly, in a direct line, to the Northeast corner of said Southeast quarter of Section 12, all in Township 10 North, Range 6 West, M.D.B. & M., together with Lot numbered 1, that portion of Lot numbered 2 lying Northwesterly of a line described as beginning at the Southwest corner of said Lot 2 and running thence from said point of beginning, Northeastly, in a direct line, to the Northeast corner of said Lot 2, the South half of the Southeast quarter of the Northwest quarter and the Southeast quarter of the Southwest quarter of the Northwest quarter of Section 7, Township 10 North,

EXHIBIT "A"

Legal Description

Range 5 West M.D.B. & M.

EXCEPTING THEREFROM all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

ALSO EXCEPTING THEREFROM all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein, as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977, in Book 899 of Official Records at Page 694.

ALSO EXCEPTING from the above described any portion thereof lying within the County of Napa, State of California.

ALSO EXCEPTING THEREFROM that portion lying South of the North line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on July 13, 1955 in Book 254 of Official Records at Page 399, Lake County Records.

ALSO EXCEPTING THEREFROM any portion thereof lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

EXCEPTING FROM the Northwest quarter and the Southwest quarter of the Northeast quarter of said Section 13 all coal and other minerals in said land together with the right to prospect for, mine, and remove the same pursuant to the Act of December 29, 1916 (39 Stat., 862) as reserved in the patent from the United States of America, recorded in Book 157, Page 358, Official Records of said County.

APN's: 013-023-12, 013-024-33 and 013-022-08

Parcel Two:

All that certain real property designated and described in Exhibit "F" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

The East half of the Southeast quarter, the Southeast quarter of the Northeast quarter of Section 13, Township 10 North, Range 6 West, M.D.B. & M., and Lot numbered 1 and that portion of Lot 2 lying Northwesterly of a line described as beginning at the Southwest corner of said Lot 2, and running thence from said point of beginning, Northeasterly, in a direct line, to the Northeast corner of said Lot 2, within Section 18, Township 10 North, Range 5 West, M.D.B. & M., and that portion of Lot numbered 2 and the Southeast quarter of the Southwest quarter of Section 7, Township 10 North, Range 5 West, M.D.B. & M., described as beginning at the Southwest corner of said Section 7, also being the Southwest corner of said Lot 2, and running thence from said point of beginning, Northeasterly, in a direct line, to the Northeast corner of said Lot 2, also being the Northwest corner of the Southeast quarter of the Southwest quarter of said Section 7, thence East, along the North line of said Southeast quarter of the Southwest quarter to the Northeast corner thereof; thence Southwesterly, in a direct line, to the Southwest corner of said Southeast quarter of the Southwest quarter of said Section 7, also being the Southeast corner of said Lot 2, and thence West, along the South line of said Lot 2 to the point of beginning.

EXCEPTING THEREFROM all oil, gas, oil shale, coal, phosphate, sodium, gold, silver and all other mineral contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc.,

EXHIBIT "A"

Legal Description

dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

ALSO EXCEPTING THEREFROM all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein, as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977, in Book 899 of Official Records at Page 694.

ALSO EXCEPTING from the above described any portion thereof lying within the County of Napa, State of California.

ALSO EXCEPTING THEREFROM that portion lying South of the North line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on July 13, 1955 in Book 254 of Official Records at Page 399, Lake County Records.

ALSO EXCEPTING THEREFROM any portion thereof lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

APN's: 013-024-34, 013-022-09 and 013-022-10

Parcel Three:

All that certain real property designated and described in Exhibit "G" in that certain Notice of Lot Line Adjustment recorded March 12, 1998 in Official Records of Lake County, under Document No. 98-003880, being more particularly described as follows:

Lots numbered 3 and 4, that portion of Lot numbered 2 lying Southeasterly of a line described as beginning at the Southwest corner of said Lot 2, and running thence Northeasterly, in a direct line, to the Northeast corner of said Lot 2, the East half of the Northwest quarter and the Northeast quarter of the Southwest quarter of Section 18, and that portion of the Southeast quarter of the Southwest quarter of Section 7, lying Southeasterly of a line described as beginning at the Southwest corner of said Southeast quarter of the Southwest quarter of said Section 7, and running thence Northeasterly, in a direct line, to the Northeast corner of said Southeast quarter of the Southwest quarter of said Section 7, all within Township 10 North, Range 5 West, M.D.B. & M., Lake County California

EXCEPTING THEREFROM all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver and all other mineral contained therein as reserved in the Patent from the State of California to Woodland Farms, Inc., dated September 6, 1956, recorded September 25, 1956 in Book 268 of Official Records at Page 229.

ALSO EXCEPTING THEREFROM all oil, gas, oil, shale, coal, phosphate, sodium, gold, silver, geothermal resources and all other minerals contained therein, as reserved in that Patent from the State of California to Magoon Estates, Limited, dated August 4, 1977, recorded September 27, 1977, in Book 899 of Official Records at Page 694.

ALSO EXCEPTING from the above described any portion thereof lying within the County of Napa, State of California.

ALSO EXCEPTING THEREFROM that portion lying South of the North line of that certain County Road known as Butts Canyon Road, as conveyed to the County of Lake by that certain Deed filed in the Office of the County Recorder, of the County of Lake, on July 13, 1955 in Book 254 of Official Records at Page 399, Lake County Records.

EXHIBIT "A"

Legal Description

ALSO EXCEPTING THEREFROM any portion thereof lying within Section 18, Township 10 North, Range 5 West, M.D.M., and Sections 13, 14 and 24, Township 10 North, Range 6 West, M.D.M., described in those certain Deeds to the County of Lake dated May 21, 1955, and July 8, 1955, recorded July 13, 1955, in Book 254 of Official Records of Lake County at Pages 399 and 401.

APN's: 013-022-11 and 013-022-12