

1 DAVID R. ZARO (BAR NO. 124334)
TED FATES (BAR NO. 227809)
2 ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP
3 501 West Broadway, 15th Floor
San Diego, California 92101-3541
4 Phone: (619) 233-1155
Fax: (619) 233-1158
5 E-Mail: dzaro@allenmatkins.com
tfates@allenmatkins.com

6 Attorneys for Receiver
7 THOMAS C. HEBRANK

8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA

10
11 SECURITIES AND EXCHANGE
COMMISSION,

12 Plaintiff,

13 v.

14 LOUIS V. SCHOOLER and FIRST
15 FINANCIAL PLANNING
CORPORATION d/b/a WESTERN
16 FINANCIAL PLANNING
CORPORATION,

17 Defendants.
18

Case No. 3:12-cv-02164-GPC-JMA

**EX PARTE APPLICATION FOR
ORDER CONFIRMING SALE OF
JAMUL VALLEY PROPERTY**

Ctrm.: 2D
Judge: Hon. Gonzalo P. Curiel

1 Thomas C. Hebrank ("Receiver"), Court-appointed receiver for First Financial
2 Planning Corporation d/b/a Western Financial Planning Corporation ("Western"), its
3 subsidiaries and the General Partnerships ("GPs") listed on Schedule 1 to the
4 Preliminary Injunction Order entered on March 13, 2013 (collectively,
5 "Receivership Entities"), submits this *Ex Parte* Application for Order Confirming
6 Sale of Jamul Valley Property.

7 On February 16, 2015, the Receiver received a letter of intent from The
8 Nature Conservancy ("TNC") to purchase the Jamul Valley property, which is
9 owned by three GPs: Jamul Meadows, Lyons Valley and Hidden Hills. Pursuant to
10 the Court's orders, the Receiver balloted the investors of the GPs. The votes
11 received, however, were inconclusive as a majority vote was not established in two
12 of the three GPs. Due to the financial circumstances of the GPs, the amount offered
13 by TNC in relation to the appraised value of the property (\$495,000), and the
14 opportunity to sell the property to TNC at a favorable price without paying broker
15 commissions (which are generally 6% to 10% of the purchase price for undeveloped
16 land), the Receiver recommended the letter of intent be pursued and requested
17 authority to take all steps necessary to complete a sale to TNC. The Court approved
18 the recommendation on June 17, 2015, in a sealed/redacted order ("Sale
19 Authorization Order"). Docket No. 1088.

20 Since that time, the Receiver has been working toward a sale of the Jamul
21 Valley property to TNC, including making a counter-offer, negotiating terms and
22 conditions, preparing and executing a Purchase and Sale Agreement, addressing
23 issues regarding boundary line encroachments on the property by neighbors, and
24 amending the Purchase and Sale Agreement to extend certain dates and deadlines.
25 The Court-authorized sale is now set to close, but the title company requires an
26 order expressly confirming the sale to TNC before it will issue a title insurance
27 policy.

28

1 Therefore, in accordance with the Sale Authorization Order, the Receiver
 2 requests the Court confirm the sale of the Jamul Valley property pursuant to the
 3 Purchase and Sale Agreement to TNC (including Amendments), attached hereto as
 4 Exhibit A, for a purchase price of \$520,000.00. The Receiver has followed the steps
 5 outlined in the Sale Authorization Order, is prepared to close the sale, and simply
 6 requests the confirmation order for title insurance purposes.

7 **Proposed Order.** With respect to the form of order, the title company
 8 requires that certain provisions be in the order, including the legal description of the
 9 Jamul Valley property, approval of TNC as buyer, and approval of the purchase
 10 price. The Receiver has submitted a proposed form of order that will satisfy the title
 11 company's requirements and respectfully requests entry of the proposed order.

12 **Ex Parte Notice.** Counsel for the Receiver contacted counsel for the
 13 Securities and Exchange Commission and Counsel for Defendants prior to the filing
 14 the Application. Counsel for the Commission stated the Commission does not
 15 oppose the Application. Counsel for Defendants stated he has no position on the
 16 matter. As a courtesy, the Receiver also provided notice to Gary Aguirre, as counsel
 17 for investor Susan Graham, who has stated he also represents investors in the GPs
 18 that own the Jamul Valley property (and other GPs). Mr. Aguirre stated his clients
 19 oppose the Application and asserted due process-oriented arguments as to why the
 20 sale should not have been authorized in the first place. Mr. Aguirre did not
 21 articulate any separate arguments addressing why an order confirming the
 22 authorized sale, simply for title insurance purposes, should not be issued.

23
 24 Dated: February 26, 2016

ALLEN MATKINS LECK GAMBLE
 MALLORY & NATSIS LLP

25
 26 By: /s/ Ted Fates

27 TED FATES
 Attorneys for Receiver
 THOMAS C. HEBRANK
 28

EXHIBIT INDEX

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| Exhibit A | Purchase and Sale Agreement to TNC (including Amendments) | 5 |

EXHIBIT A

EXHIBIT A

PURCHASE AND SALE AGREEMENT

(FEE INTEREST)

(SAN DIEGO • LYONS VALLEY • LYONS VALLEY PARTNERS, ET AL.)

This Purchase and Sale Agreement (the "**Agreement**") is entered into as of the last date of execution set forth in the signature blocks below (the "**Agreement Date**") by and between, on one hand, Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest (collectively, "**Seller**") and, on the other hand, The Nature Conservancy, a District of Columbia non-profit corporation (including its successors and assigns, "**Buyer**"), with respect to the real property in San Diego County, California, containing approximately 123 acres and more particularly described in **Exhibit A** to this Agreement, together with all buildings, improvements and fixtures thereon and all water and water rights, minerals and mineral rights and other surface and subsurface rights, permits, hereditaments, easements, incidents and appurtenances belonging thereto (collectively, the "**Property**"). In consideration of the respective promises of the parties set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property from Seller, on the following terms and conditions:

1. **Escrow.** The parties will establish an escrow to consummate the transactions that are called for in this Agreement (the "**Escrow**") with First American Title Insurance Company, 4380 La Jolla Village Drive, Suite 200, San Diego, CA 92122 ("**Escrow Holder**"). Subject to the terms and conditions of this Agreement, the closing of the sale of the Property to Buyer pursuant to this Agreement (the "**Closing**") will be accomplished through the Escrow on a date that will be set as provided below. The Escrow will be opened promptly after the Agreement Date.
2. **Purchase Price and Deposit.** The purchase price for the Property (the "**Purchase Price**") will be \$520,000, paid all in cash at the Closing. Promptly after the Escrow is opened, Buyer will deliver to Escrow an earnest money deposit in the amount of \$10,000 (the "**Deposit**"). If and when the Closing takes place, the Deposit will be paid to Seller through the Escrow and will be credited against the Purchase Price.
3. **Due Diligence Investigation.** Beginning on the Agreement Date, and thereafter for so long as this Agreement is in effect, Buyer, through its respective employees, agents and consultants, may enter upon the Property to inspect and make such tests, surveys, studies and other investigations of the physical or environmental condition of the Property as they may deem appropriate in their sole discretion, and Seller will cooperate reasonably in providing Buyer with information and documents respecting the Property that are readily available to Seller. In conducting any such tests, surveys, studies or other investigations of the Property, Buyer shall cause its employees, representatives, agents, affiliates, independent contractors, consultants, members, partners, shareholders, invitees or licensees (collectively, the "**Buyer's Parties**") to (i) not damage any part of the Property or any improvements or personal property located on the Property, (ii) comply with all applicable laws, (iii) promptly pay when due the costs of all tests, investigations, and examinations done with regard to the Property, (iv) not permit any liens to attach to the Property by exercise of its rights hereunder, and (v) promptly repair any damage to the Property resulting directly or indirectly from the entry by Buyer or the Buyer's Parties from any such inspections, tests, investigations or studies. Buyer will indemnify and defend Seller and Seller's partners, members, trustees, directors, officers, shareholders, employees, representatives, property managers, asset managers, agents, attorneys, affiliated and related entities, heirs, successors and assigns (collectively, the "**Seller's Parties**") against, and will hold Seller and the Seller's Parties harmless from, the cost to repair any physical damage to the Property or any damages for injury to any person, as well as reasonable attorneys' fees and expenses, to the extent the physical damage or injury was caused by Buyer or by Buyer's employees, agents or consultants while on the Property and acting in such capacity. In addition, in

connection with any such tests, surveys, studies and other investigations, Buyer and the Buyer's Parties shall hold harmless, protect, defend (with counsel reasonably acceptable to Seller) and indemnify Seller and the Seller's Parties from and against any liabilities, claims, demands, judgments, causes of action, losses, costs, damages, penalties, fines, taxes, remedial actions, removal and disposal costs, investigation and remedial costs and expenses (including, without limitation, attorneys', experts' and consultants' fees), whether direct or indirect, known or unknown (collectively, "**Claims**") arising out of or in connection with (1) any injuries to persons (including death) or damage to any property, or (2) any mechanic's, workers' or other liens on the Property, in each case of (1) or (2) above to the extent arising out of the work or activities conducted on the Property by Buyer or Buyer's Parties. The foregoing agreement of Buyer to indemnify and defend Seller and the Seller's Indemnitees (as described in the two (2) immediately preceding sentences) shall not be limited by in any way by any other terms of this Agreement, and shall survive the Closing and/or the expiration or earlier termination of this Agreement.

4. **Continuation Notice.** If Buyer wishes to proceed with the acquisition of the Property, Buyer will give Seller a written notice to that effect (the "**Continuation Notice**") on or before that date that is 60 calendar days after the Agreement Date (the "**Continuation Notice Deadline**"). If Buyer does not give a timely Continuation Notice, then this Agreement will terminate as of the Continuation Notice Deadline, and the Deposit will be returned to Buyer.

5. **Closing Date.** If Buyer gives Seller a timely Continuation Notice, then the Closing shall take place within fifteen (15) business days after Buyer gives Seller the Continuation Notice (the "**Closing Date**").

6. **Title Policy.** Buyer has obtained from Escrow Holder a preliminary report concerning the Property, dated as of March 13, 2015, under order number LJ-4859115 (the "**Preliminary Report**"). It will be a condition to Buyer's obligation to close the Escrow and acquire the Property that Escrow Holder be ready, willing, and able to issue to Buyer, as of the Closing, a CLTA form policy of title insurance (the "**Title Policy**") insuring the Property, with an endorsement for public access to the Property (if such an endorsement is available), showing title vested in Buyer as of the Closing, subject only to the normal printed exceptions in such policies, and any other exceptions that are acceptable to Buyer. Buyer must make any objections to the condition of title by the time that Buyer gives the Continuation Notice, and Buyer shall be deemed to have accepted any title exception(s) shown in the Preliminary Report to which Buyer has not objected by then. However, if any new title exception appears after the Continuation Notice is given and prior to the Closing, Buyer may terminate this Agreement unless the exception is accepted by Buyer in writing or unless Seller obtains the agreement of Escrow Holder, prior to the deadline for the Closing, not to include the exception in the Title Policy.

7. **Condemnation.** If any condemnation or other proceeding for the taking of property by the power of eminent domain is commenced or threatened against the Property prior to the scheduled Closing Date and while this Agreement is still in force, Buyer may, at its option, elect: (a) not to acquire the Property, in which case this Agreement will be terminated as provided below; or (b) to proceed to close the Escrow and acquire the remaining portion of the Property, in which case the Purchase Price will be adjusted pro-rata by the parties based on acreage remaining; or (c) to close the Escrow and acquire the entire Property, with assignment to Buyer of all of Seller's interest in and to any award or other proceeds received or to be received by Seller as a result of such proceedings.

8. **Failure to Close.** If the Escrow fails to close, then the Deposit will be disbursed to Seller, as liquidated damages (as provided below), except that Buyer will be entitled to terminate this Agreement and receive the return of the Deposit if any of the following should occur: (a) Escrow Holder is not ready, willing, and able to deliver the Title Policy in the form required above; (b) Seller is unable to deliver the Property free of any leases, agreements, or other encumbrances not agreed to by Buyer; (c) Seller defaults under this Agreement, (d) there is a condemnation proceeding with respect to the Property and Buyer elects not to acquire the Property; (e) Buyer has not received a written appraisal, in form and substance acceptable to Buyer in its sole discretion, that supports the Purchase Price; (f) there is any material change in the condition of the Property, or in Seller's

representations and warranties set out in this Agreement, after the Continuation Notice has been given; (g) Buyer's Board of Directors, President, Vice-President, or any other properly authorized agent fails to authorize the transaction contemplated by this Agreement; or (h) there is a failure to satisfy any condition to Buyer's obligation to close the Escrow. Buyer will not be obligated to terminate this Agreement in such cases, however, and will have the right to seek specific performance of this Agreement and acquire the Property.

SELLER AND BUYER HAVE AGREED THAT IT WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO DETERMINE THE ACTUAL DAMAGES TO SELLER IF BUYER FAILS TO CLOSE THE ESCROW AS PROVIDED IN THIS AGREEMENT AND IS NOT EXCUSED FROM DOING SO AS PROVIDED ABOVE. BY PLACING THEIR INITIALS BELOW, THE PARTIES ACKNOWLEDGE THAT THE AMOUNT OF THE DEPOSIT HAS BEEN AGREED UPON BY THEM, AFTER NEGOTIATION, AS THEIR REASONABLE ESTIMATE OF THE DAMAGES TO SELLER IN SUCH A CASE, AND AS THE EXCLUSIVE REMEDY OF SELLER AGAINST BUYER IN SUCH A CASE, WHETHER AT LAW OR IN EQUITY.

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BUYER'S INITIALS



SELLER'S INITIALS

9. **Closing.** At least one day prior to the Closing Date, Seller will deliver into the Escrow a grant deed of the Property to Buyer, in the form attached to this Agreement as **Exhibit B** and otherwise acceptable to Buyer in Buyer's reasonable discretion and sufficient to allow the Title Policy to be issued as required herein, as well as appropriate affidavits or certificates concerning Seller's non-foreign or other status (such as its California residence) as are required under applicable law, and such other transfer and/or assignment documents as Buyer may reasonably require in order to convey the Property fully to Buyer (including, but not limited to, all water rights to be conveyed). Escrow Holder will prorate real property taxes as of the Closing. Closing costs will be apportioned by Escrow Holder as customary in the county in which the Property is located. If any lease or other agreement affecting the Property is to be assigned to Buyer at the Closing by agreement of the parties hereafter, then: (a) the parties will enter into an appropriate written assignment from Seller to Buyer to accomplish that purpose, and (b) Seller will provide Buyer, prior to the Closing, with an estoppel certificate form each other party to or beneficiary of such lease or agreement; with the foregoing documentation to be in each case in form and content reasonably acceptable to both parties.

10. **Limited Representations, Warranties and Covenants of Seller.** Seller represents, warrants and covenants to Buyer as follows, with such representations and warranties strictly limited in all respects to the actual, current knowledge of Seller without conducting any investigation, and on the understanding that Buyer is agreeing to make Buyer's own investigation of all such matters and to rely solely only on the results of Buyer's own inquiry:

(a) Other than SEC v. Louis V. Schooler and First Financial Planning Corp d/b/a Western Financial Planning Corp, Seller has not received actual notice of any of the following: (i) any violation with respect to the Property of any applicable law, court order, or other government directive; (ii) a legal proceeding which is pending or threatened with respect to the ownership or operation of the Property; (iii) any leases or other third party rights to use or occupy the Property; or (iv) any pending or threatened action in condemnation which has as a goal the acquisition of all or any part of the Real Property.

(b) None of the following has occurred and is continuing: (i) the filing of a petition by or against Seller under United States Bankruptcy Code, as amended from time to time, or any similar federal, state, or local law; (ii) the appointment of a receiver, trustee, custodian, or liquidator of or for any part of the assets or property of Seller, other than as disclosed in this Agreement; or (iii) the making by Seller of any general assignment for the benefit of creditors.

(c) All documents executed by Seller that are to be delivered to Escrow Holder are or at the time of the Closing shall be duly authorized, executed and delivered by Seller, are or at the time

of the Closing shall be legal, valid, and binding obligations of Seller, are and at the time of the Closing shall be sufficient to convey title (if they purport to do so), and do not and at the time of the Closing shall not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or any portion of the Property is subject.

11. **DISCLAIMER OF WARRANTIES/AS-IS SALE.** BUYER HEREBY REPRESENTS, WARRANTS AND ACKNOWLEDGES THAT BUYER IS A SOPHISTICATED AND EXPERIENCED PURCHASER IN REAL PROPERTY AND HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL IN CONNECTION WITH THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT. BUYER FURTHER REPRESENTS AND WARRANTS THAT BUYER HAS BEEN AFFORDED THE OPPORTUNITY TO, AND HAS, REVIEWED AND CONDUCTED SUCH INDEPENDENT ANALYSIS, STUDIES, REPORTS, SURVEYS, INVESTIGATIONS AND INSPECTIONS AS BUYER DEEMS APPROPRIATE IN CONNECTION WITH BUYER'S ACQUISITION OF THE PROPERTY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER HEREBY ACKNOWLEDGES AND AGREES THAT BUYER SHALL ACCEPT FEE TITLE TO THE PROPERTY AT THE CLOSING IN ITS PRESENT "AS-IS, WHERE IS, WITH ALL FAULTS" CONDITION AND WITH ALL DEFECTS AND, SELLER HAS NOT MADE OR WILL NOT MAKE, EITHER EXPRESSLY OR IMPLICITLY, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO ANY OF THE FOLLOWING MATTERS (COLLECTIVELY REFERRED TO HEREIN AS THE "**PROPERTY CONDITIONS**"): (i) THE SUITABILITY OR CONDITION OF THE PROPERTY FOR ANY PURPOSE OR ITS FITNESS FOR ANY PARTICULAR USE; (ii) THE PROFITABILITY AND/OR FEASIBILITY OF OWNING, DEVELOPING, OPERATING AND/OR IMPROVING THE PROPERTY; (iii) THE PHYSICAL CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE CURRENT OR FORMER PRESENCE OR ABSENCE OF ENVIRONMENTAL HAZARDS OR HAZARDOUS MATERIALS (AS DEFINED BELOW), ASBESTOS, RADON GAS, UNDERGROUND STORAGE TANKS, ELECTROMAGNETIC FIELDS, OR OTHER SUBSTANCES OR CONDITIONS WHICH MAY AFFECT THE PROPERTY OR ITS CURRENT OR FUTURE USES, HABITABILITY, VALUE OR DESIRABILITY; (iv) THE RENTALS, INCOME, COSTS OR EXPENSES THEREOF; (v) THE NET OR GROSS ACREAGE, USABLE OR UNUSABLE, OF THE PROPERTY; (vi) THE LOCATION OF THE PERIMETER BOUNDARIES OF THE PROPERTY; (vii) PRESENT, PAST OR FUTURE CONFORMITY OF THE PROPERTY WITH PLANNING, BUILDING, ZONING, SUBDIVISION AND DEVELOPMENT STATUTES, ORDINANCES, REGULATIONS AND PERMITS, OR ANY GENERAL PLAN OR THE SPECIFIC PLAN; (viii) THE CONDITION OF TITLE TO THE PROPERTY; (ix) THE CHARACTER AND AMOUNT OF ANY FEE, CHARGE OR OTHER CONSIDERATION WHICH MUST BE PAID OR DONATED BY BUYER TO DEVELOP THE PROPERTY; (x) COMPLIANCE BY THE PROPERTY WITH APPLICABLE LAWS, CODES OR ORDINANCES OR OTHER LAWS, RULES AND REGULATIONS, INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL AND SIMILAR LAWS GOVERNING OR RELATING TO ENVIRONMENTAL HAZARDS OR HAZARDOUS MATERIALS, FIELDS, OR OTHER SUBSTANCES OR CONDITIONS WHICH MAY AFFECT THE PROPERTY OR ITS CURRENT OR FUTURE USES, HABITABILITY, VALUE OR RESTRICTIONS; (xi) WATER OR UTILITY AVAILABILITY OR USE RESTRICTIONS; (xii) GEOLOGIC, SEISMIC AND HYDROLOGICAL CONDITIONS, SOIL AND TERRAIN STABILITY, OR DRAINAGE; (xiii) SEWER, SEPTIC, AND WELL SYSTEMS AND COMPONENTS; (xiv) OTHER NEIGHBORHOOD OR PROPERTY CONDITIONS, FIRE PROTECTION, CRIME STATISTICS, NOISE OR ODOR FROM ANY SOURCES, LANDFILLS, PROPOSED FUTURE DEVELOPMENTS, OR OTHER CONDITIONS OR INFLUENCES WHICH MAY BE SIGNIFICANT TO CERTAIN CULTURES OR RELIGIONS; (xv) ANY OTHER PAST, PRESENT OR FUTURE MATTER RELATING TO THE PROPERTY WHICH MAY AFFECT THE PROPERTY OR ITS CURRENT OR FUTURE USE, HABITABILITY, VALUE OR DESIRABILITY; (xvi) THE TYPE OR KIND OF SOIL ON THE PROPERTY OR THE SUITABILITY OF SUCH SOIL FOR ANY PARTICULAR PURPOSE; (xvii) THE PRESENCE OF ANY ARCHEOLOGICAL, PREHISTORIC AND HISTORIC ARTIFACTS, REMAINS AND RELICS; (xviii) THE PRESENCE OF ANY ENDANGERED OR PROTECTED PLANT, ANIMAL OR INSECT SPECIES ON THE PROPERTY; OR (xix) THE SUSCEPTIBILITY OF THE PROPERTY TO FLOOD OR ERODE; OR (xx) ANY RESTRICTIONS APPLICABLE TO THE PROPERTY. THE TERM "**HAZARDOUS MATERIALS**" AS USED IN THIS AGREEMENT SHALL MEAN AND REFER TO (A) ANY HAZARDOUS OR TOXIC WASTES, MATERIALS OR SUBSTANCES, OR CHEMICALS, AND OTHER POLLUTANTS OR CONTAMINANTS, WHICH ARE OR BECOME REGULATED BY APPLICABLE LOCAL, STATE, REGIONAL AND/OR FEDERAL ORDERS, ORDINANCES, STATUTES, RULES, REGULATIONS (AS INTERPRETED BY JUDICIAL AND ADMINISTRATIVE DECISIONS) AND LAWS; (B) ASBESTOS, ASBESTOS-CONTAINING MATERIALS OR UREA FORMALDEHYDE; (C) POLYCHLORINATED BIPHENYLS; (D) FLAMMABLES, EXPLOSIVE,

CORROSIVE OR RADIOACTIVE MATERIALS; (E) MEDICAL WASTE AND BIOCHEMICALS; AND (F) GASOLINE, DIESEL, PETROLEUM OR PETROLEUM BY-PRODUCTS.

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BUYER'S INITIALS

SELLER'S INITIALS

12. **No Conflict of Interest.** The information provided on the form(s) attached to this Agreement as **Exhibit C** (collectively, the "**Disclosure Form**"), which was previously signed by Seller and submitted to Buyer, is true and correct.

13. **Compliance With Anti-Terrorism Laws.** Seller agrees that it will use any funds received under this Agreement in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders, including, but not limited to the USA Patriot Act of 2001 and Executive Order 13224.

14. **Preservation of the Property.** Seller understands and acknowledges that Buyer intends for the Property to be used, in whole or in part, as a natural area or similar use and that material damage to the natural features of the Property will render the Property of substantially lesser value to Buyer. Seller covenants and agrees that Seller will refrain from, and will not knowingly permit, any use of the Property or the natural resources on the Property for any purpose or in any manner that would materially adversely affect the intended use of the Property as a natural area or similar use, including, without limitation, the introduction onto the Property of any Hazardous Materials. Buyer understands and acknowledges that Seller will be clearing certain areas of brush in accordance with fire and safety code requirements.

15. **Buyer's Release.** Buyer hereby releases, relinquishes and waives any Claims and/or causes of action it has or may have against Seller and/or the Seller's Parties arising from or in any way connected with the condition of the Property, any use thereof (including, without limitation, the installation of any improvements constructed by Buyer), and/or the existence of any Hazardous Materials in, on, under or around the Property. Buyer specifically waives the benefit of the provisions of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

By initialing this clause, Buyer acknowledges that Buyer has read and fully understood this Section 15 and that Buyer has had the opportunity to seek advice from its counsel about the meaning and significance of this Section 15. The provisions of this Section 15 shall survive the Closing.

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BUYER'S INITIALS

SELLER'S INITIALS

16. **General Provisions.**

(a) **Notices.** Except as otherwise provided in this Agreement, any notice that any party to this Agreement desires or is required to give to or make on another party pursuant to this Agreement (in each case, a "Notice") will be in writing and will be served upon the party being addressed at the most recent address that the addressed party has provided for such purposes, by any of the following means: (1) by delivery in person; (2) by certified U.S. mail, return receipt requested, postage prepaid; (3) by Federal Express or other reputable "overnight" delivery service, provided that next-business-day delivery is available and requested by the sender; or (4) by email. Telephone numbers are provided below for use in connection with "overnight" deliveries, not for

giving notice by telephone. If delivered in person, a Notice will be deemed given immediately upon delivery (or refusal of delivery or receipt). If sent by certified mail, a Notice will be deemed given on the date deposited with the U.S. Postal Service. If sent by Federal Express or other reputable "overnight" delivery service, a Notice will be deemed given on the date deposited with the delivery service. If sent by email, a Notice will be deemed given on the date sent. By a written Notice to all other parties that is given in the aforesaid manner, any party may designate a replacement address. The parties initially designate the following addresses for Notices to be sent to them:

If to Seller:

E3 Advisors
Attn: Geno Rodriguez, Managing Director
401 West "A" Street, Suite 1830
San Diego, CA 92101
Email: grodriguez@ethreadvisors.com
Telephone: (619) 567-7223

And to:

Ted Fates, Esq.
Allen Matkins
501 W. Broadway, 15th Floor
San Diego, CA 92101

If to Buyer:

The Nature Conservancy
Attn: Chris Basilevac
402 West Broadway, Suite 1350
San Diego CA 92101
Email: cbasilevac@tnc.org
Telephone: (619) 884-6591

and to:

The Nature Conservancy
Attn: Legal Department
201 Mission Street, 4th Floor
San Francisco, California 94105
Email: Notice_CALegal@tnc.org
Telephone: 415-777-0487

(b) **Authorization; Signatures.** Each party to this Agreement that is a corporation or other entity warrants to the other that it is duly organized, is validly existing and is (where required) qualified to do business in the State of California and has full right and authority to enter into and consummate this Agreement and all related documents. Each person executing this Agreement on behalf of another person or entity or as an officer, partner, member or other representative or agent of such other person or entity represents that the execution of this Agreement has been duly authorized by the party on whose behalf the person is executing this Agreement. Seller will execute and deliver or cause to be executed and delivered all instruments reasonably required to convey the Property to Buyer in the condition required under this Agreement and to vest in Buyer all rights, interests and benefits intended to be conferred by this Agreement. Electronic signatures and fax signatures are acceptable for this Agreement.

(c) **Entire Agreement.** This Agreement contains the entire agreement between the parties to this Agreement and will not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

(d) **Interpretation.** Exhibits referred to in this Agreement are incorporated into this Agreement by reference. The paragraph headings of this Agreement are for reference purposes and not to place any construction on this Agreement. This Agreement will be construed without reference to the identity of the party or parties preparing it; the parties participated equally or had equal opportunity to participate in the drafting of this Agreement. If any term or provision of this Agreement is, to any extent, held invalid or unenforceable, the remainder of this Agreement will not be affected. This Agreement will be interpreted, enforced and governed by the laws of the State of California.

(e) **Time Calculations.** If the due date for performing any action or obligation or for providing any notice under this Agreement falls on a Saturday, Sunday or federal or California legal holiday, the due date will be deemed to be the immediately following date that is not a Saturday, Sunday or federal or California legal holiday.

(f) **Attorneys' Fees.** In the event of any litigation between the parties to this Agreement in connection with the interpretation of this Agreement or the enforcement of any right or obligation under this Agreement, the party prevailing in such litigation will be entitled to payment by the other party of the court costs and attorneys' fees and expenses incurred by the prevailing party in connection with such litigation, in such amount as the court or administrative body may judge reasonable.

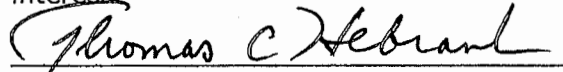
(g) **Survival.** The representations, warranties, covenants, agreements and obligations of the parties will not merge with the transfer of title to the Property but will remain in full force and effect after the Closing, or any earlier termination of this Agreement, until and unless there is a waiver or release of such representation, warranty, covenant, agreement or obligation by the beneficiary or, with respect to representations and warranties only, until the passage of two years from such date, if sooner.

(h) **Successors and Assigns.** The terms and conditions of this Agreement will apply to and bind, and will inure to the benefit of, the heirs, executors, administrators, successors and assigns of the parties hereto.

In witness whereof, the parties have executed this Agreement as of the Agreement Date.

Seller:

Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest

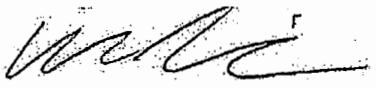


Thomas C. Hebrank

Date: 10/27/15

Buyer:

The Nature Conservancy,
a District of Columbia non-profit corporation

By: 

Name: Chris Basilevac

Title: Director of Land Protection, Southern CA

Date: October 27, 2015

Exhibit A

LEGAL DESCRIPTION OF PROPERTY

(SAN DIEGO • LYONS VALLEY • LYONS VALLEY PARTNERS, ET AL.)

[The Legal Description underlies this Exhibit A cover page]

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LEGAL DESCRIPTION

Real property in the unincorporated area of the County of San Diego, State of California, described as follows:

PARCEL 1:

LOTS 7, 9 AND 10 OF SECTION 34, TOWNSHIP 16 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

EXCEPTING THEREFROM 3.44 ACRES, MORE OR LESS, COMPRISING THAT PORTION OF LOT 7 LYING WITHIN THE BOUNDARIES OF THE LOST PEG LEG MINE AS DESCRIBED IN PATENT NUMBER 440641, PATENT BOOK 13, PAGE 88 THROUGH 91, INCLUSIVE.

PARCEL 2:

AN EASEMENT FOR ROAD AND PUBLIC UTILITIES PURPOSES OVER, UNDER, ALONG AND ACROSS A PORTION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 16 SOUTH, RANGE 1 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, SAID PORTION MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER, OF THE SOUTHWEST QUARTER OF SAID SECTION 35; THENCE NORTH 89°12'21" EAST, ALONG THE NORTH LINE OF SAID SOUTH HALF OF SAID SOUTHWEST QUARTER 99.63 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF SKYLINE TRUCK TRAIL, 60.00 FEET WIDE; THENCE SOUTH 48°43'17" WEST ALONG SAID NORTHWESTERLY LINE 95.77 FEET; THENCE NORTH 41°16'43" WEST, 21.00 FEET TO THE BEGINNING OF A NON-TANGENT 210 FOOT RADIUS CURVE CONCAVE TO THE WEST SAID POINT HAVING AN INITIAL RADIAL BEARING OF NORTH 41°16'43" WEST TO THE CENTER OF SAID CURVE; THENCE NORTHERLY ALONG SAID CURVE 31.42 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" TO A POINT OF TANGENCY; THENCE NORTH 41°16'43" WEST 23.68 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

AN EASEMENT FOR ROAD AND PUBLIC UTILITIES PURPOSES OVER, UNDER, ALONG AND ACROSS A PORTION OF PARCEL 1 OF PARCEL MAP NO. 10586, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER, SAN DIEGO COUNTY, STATE OF CALIFORNIA OCTOBER 16, 1980.

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL 1, SAID SOUTHWEST CORNER OF PARCEL 1 BEING THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 35; THENCE NORTH 02°19'31" WEST, ALONG THE WEST LINE OF SAID PARCEL 95.44 FEET; THENCE LEAVING SAID WEST LINE, SOUTH 41°16'43" EAST, 97.90 FEET TO THE BEGINNING OF A TANGENT 20.00 FOOT RADIUS CURVE, CONCAVE TO THE NORTH; THENCE EASTERLY AND NORTHERLY, ALONG SAID CURVE, 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00"; THENCE SOUTH 41°16'43" EAST ALONG A RADIAL LINE TO SAID CURVE, 21.00 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF SAID PARCEL 1, SAID SOUTHEASTERLY LINE BEING THE NORTHWESTERLY RIGHT OF WAY LINE OF SKYLINE TRUCK TRAIL 60.00 FEET WIDE, AS SHOWN ON SAID PARCEL MAP 10586; THENCE SOUTH 46°43'17" WEST, ALONG SAID LINE, 4.23 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL

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1; THENCE SOUTH 89°12'21" WEST, ALONG THE SOUTH LINE OF SAID PARCEL 1, TO THE POINT OF BEGINNING.

PARCEL 4:

AN EASEMENT FOR ROAD AND PUBLIC UTILITIES PURPOSES OVER, UNDER, ALONG AND ACROSS A STRIP OF LAND 60.00 FEET IN WIDTH LYING WITHIN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 16 SOUTH, RANGE 1 EAST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF, THE SOUTHWESTERLY LINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE ABOVE MENTIONED NORTHWEST QUARTER OF SAID SOUTHEAST QUARTER, THE SOUTHERLY LINE OF WHICH BEARS SOUTH 89°11'24" WEST FROM SAID SOUTHEAST CORNER; THENCE NORTH 41°16'43" WEST, 184.20 FEET TO THE BEGINNING OF A TANGENT 270 FOOT RADIUS CURVE, CONCAVE TO THE SOUTHWEST; THENCE NORTHWESTERLY ALONG SAID CURVE 137.95 FEET THROUGH A CENTRAL ANGLE OF 29°16'23", TO POINT OF TANGENCY; THENCE NORTH 70°33'06" WEST 38.32 FEET TO THE BEGINNING OF A TANGENT 330 FOOT RADIUS CURVE CONCAVE TO THE NORTHEAST; THENCE NORTHWESTERLY ALONG SAID CURVE 178.55 FEET, THROUGH A CENTRAL ANGLE OF 31°00'00" TO A POINT OF TANGENCY; THENCE NORTH 39°33'06" WEST, 119.16 FEET TO A POINT ON THE WESTERLY LINE OF PARCEL 1 OF THAT PROPERTY GRANTED TO R. W. BRADY AND DIANE J. BRADY, J. D. ELSTON AND LEAH ELSTON, BY GRANT DEED RECORDED APRIL 13, 1979 AS DOCUMENT NO. 79-151750 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY, CALIFORNIA, SAID POINT BEING THE TERMINUS POINT OF THAT COURSE DESCRIBED AS "THENCE SOUTH 29°33'06" EAST 298.26 FEET TO THE BEGINNING OF A TANGENT 170 FOOT RADIUS CURVE CONCAVE WESTERLY" BY SAID DOCUMENT; THENCE NORTH 39°33'06" WEST ALONG SAID WESTERLY LINE AND THE PROLONGATION THEREOF, 420.06 FEET TO THE TERMINUS POINT OF THIS DESCRIPTION.

SAID 60 FOOT STRIP OF LAND TO TERMINATE SOUTHEASTERLY IN THE EASTERLY LINE OF SAID NORTHWEST QUARTER OF SAID SOUTHWEST QUARTER OF SECTION 35 WHICH BEARS NORTH 2°19'31" WEST FROM THE POINT OF BEGINNING.

PARCEL 5:

AN EASEMENT FOR ROAD AND PUBLIC UTILITY PURPOSES OVER, UNDER, ALONG AND ACROSS A PORTION OF PARCELS 1, 2, 3 AND 4 OF PARCEL MAP NO. 12208, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA JULY 1, 1982.

SAID EASEMENT BEING 60.00 FEET IN WIDTH LYING 30.00 FEET NORTHERLY, NORTHWESTERLY AND NORTHEASTERLY, AND 30.00 FEET SOUTHERLY, SOUTHWESTERLY AND SOUTHEASTERLY OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT THE NORTHWESTERLY CORNER OF PARCEL 4 OF SAID PARCEL MAP NO. 12208; THENCE NORTH 89°12'31" EAST, ALONG THE NORTHERLY LINE OF SAID PARCEL 4, 590.00 FEET TO THE NORTHEASTERLY CORNER OF SAID PARCEL 4; THENCE SOUTH 39°33'06" WEST, ALONG THE EASTERLY LINE OF SAID PARCEL 4, 225.00 FEET TO THE NORTHERLY CORNER OF PARCEL 1, SAID PARCEL MAP 12208, TRUE POINT OF BEGINNING; THENCE SOUTH 60°46'06" WEST ALONG THE NORTHWESTERLY LINE OF SAID PARCEL 1 353.39 FEET TO THE NORTHEASTERLY CORNER OF PARCEL 3 OF SAID PARCEL MAP 12208; THENCE SOUTH 72°46'29" WEST, ALONG THE NORTHWESTERLY LINE OF SAID PARCEL 3, 184.86 FEET TO THE

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BEGINNING OF A TANGENT 300.00 FOOT RADIUS CURVE, CONCAVE NORTHERLY; THENCE WESTERLY ALONG SAID CURVE 27.16 FEET THROUGH A CENTRAL ANGLE OF $5^{\circ}11'14''$ TO A POINT ON THE EASTERLY LINE OF LAND DESCRIBED IN DEED TO S. L. CUSHMAN AND KATHLEEN M. CUSHMAN, RECORDED DECEMBER 19, 1980 AS FILE NO. 80-428430, IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, A RADIAL LINE OF SAID CURVE BEARS SOUTH $12^{\circ}02'17''$ EAST TO SAID POINT; THENCE LEAVING SAID EASTERLY LINE AND CONTINUING ACROSS SAID CUSHMAN'S LAND, WESTERLY ALONG SAID CURVE 129.92 FEET THROUGH A CENTRAL ANGLE OF $24^{\circ}48'46''$; THENCE TANGENT TO SAID CURVE NORTH $77^{\circ}13'31''$ WEST, 72.14 FEET TO A POINT ON THE SOUTHERLY LINE OF PARCEL 4 OF SAID PARCEL MAP 12208, SAID POINT BEARS SOUTH $89^{\circ}12'51''$ WEST TO THE SOUTHWESTERLY CORNER OF SAID PARCEL 4, DISTANCE OF 41.20 FEET THEREFROM; THENCE LEAVING SAID SOUTHERLY LINE AND CONTINUING ACROSS SAID PARCEL 4 NORTH $77^{\circ}13'31''$ WEST, 42.63 FEET TO A POINT ON THE WEST LINE OF SAID PARCEL 4 BEING THE POINT OF TERMINUS.

THE SIDELINES OF SAID 60.00 FOOT EASEMENT TO BE FORESHORTENED OR LENGTHENED TO TERMINATE AT THE BOUNDARY LINE OF SAID PARCEL MAP.

PARCEL 6:

AN EASEMENT FOR ROAD AND UTILITIES PURPOSES OVER, UNDER, ALONG AND ACROSS A PORTION OF LAND DESCRIBED IN DEED TO S. L. CUSHMAN AND KATHLEEN M. CUSHMAN, RECORDED DECEMBER 19, 1980 AS FILE NO. 80-428430 OF OFFICIAL RECORDS, SAID EASEMENT BEING 60.00 FEET IN WIDTH LYING 30.00 NORTHERLY AND 30.00 FEET SOUTHERLY OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 4 OF PARCEL MAP 12208 AS RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, STATE OF CALIFORNIA, ALSO BEING THE NORTHWEST CORNER OF SAID CUSHMAN'S LAND; THENCE NORTH $89^{\circ}12'51''$ EAST ALONG THE SOUTHERLY LINE OF SAID PARCEL 4, 240.00 FEET TO THE BEGINNING OF A NON-TANGENT 287.90 FOOT RADIUS CURVE, CONCAVE NORTHWESTERLY, SAID POINT BEING THE NORTHEAST CORNER OF SAID CUSHMAN'S LAND; THENCE SOUTHERLY ALONG SAID CURVE, ALONG THE EASTERLY LINE OF SAID CUSHMAN'S LAND; 19.52 FEET THROUGH A CENTRAL ANGLE OF $3^{\circ}53'02''$ TO A POINT ON A NON-TANGENT 300.00 FOOT RADIUS CURVE CONCAVE NORTHERLY; THE TRUE POINT OF BEGINNING; THENCE LEAVING THE EASTERLY LINE OF SAID CUSHMAN'S LAND, WESTERLY ALONG SAID CURVE 129.982 FEET THROUGH A CENTRAL ANGLE OF $24^{\circ}48'46''$; THENCE TANGENT TO SAID CURVE NORTH $77^{\circ}13'31''$ WEST 72.14 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID PARCEL 4, SAID SOUTHERLY LINE BEING THE NORTHERLY LINE OF SAID CUSHMAN'S LAND, THE POINT OF TERMINUS.

THE SIDELINES OF SAID 60.00 FOOT EASEMENT TO BE FORESHORTENED OR LENGTHENED TO TERMINATE AT THE BOUNDARY LINE OF SAID CUSHMAN'S LAND.

APN: 519-150-05-00 and 519-221-01-00

Exhibit B
FORM OF GRANT DEED

(SAN DIEGO • LYONS VALLEY • LYONS VALLEY PARTNERS, ET AL.)

RECORDING REQUESTED BY:

AND WHEN RECORDED, DELIVER TO:

The Nature Conservancy
Attn: Legal Department
201 Mission Street, 4th Floor
San Francisco, CA 94105

Space above for recorder's use only

APNs: 519-150-05-00; 519-221-01-00

The undersigned declares that the documentary transfer tax is \$_____ and is computed on the full value of the interest or property conveyed or is computed on the full value less the value of liens or encumbrances remaining thereon at the time of sale.

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest

hereby GRANTS to

THE NATURE CONSERVANCY, a District of Columbia non-profit corporation,

the real property in the County of San Diego, State of California, more particularly described on Exhibit A attached hereto.

together with all buildings, improvements and fixtures thereon and all water and water rights, minerals and mineral rights and other surface and subsurface rights, permits, hereditaments, easements, incidents and appurtenances belonging thereto.

**Thomas C. Hebrank, solely in his capacity
as Court-Appointed Receiver** for Lyons Valley
Partners, a California general partnership, as
to an undivided 1/3 interest; Jamul Meadow
Partners, a California general partnership, as
to an undivided 1/3 interest; and Hidden Hills
Partners, a California general partnership, as
to an undivided 1/3 interest

Thomas C. Hebrank

Date: _____

EXHIBIT A TO GRANT DEED

LEGAL DESCRIPTION

[The Legal Description underlies this Exhibit A cover page]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of _____)

On _____, before me, _____,
Notary Public, personally appeared _____,
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.

Notary Public

Attention Notary: The information requested below is optional but could
prevent fraudulent attachment of this certificate to unauthorized documents.

Signer purports to represent:

Capacity Claimed by Signer(s):

☐ Individual(s)

☐ Corporate Officer(s) – Title(s):

☐ Partner(s) ☐ Attorney(s)-In-Fact

☐ Trustee(s) ☐ Subscribing Witness

☐ Guardian/Conservator

☐ Other:

This certificate must be attached to the
document described below:

Title or Type of Document:

Grant Deed with Reservation of
Conservation Easement

Date _____ of

Document: _____ of

_____ of

pages: _____

Parties other than those whose signature(s)
is/are notarized here:

Exhibit C
DISCLOSURE FORM

(SAN DIEGO • LYONS VALLEY • LYONS VALLEY PARTNERS, ET AL.)

The Nature Conservancy
CONFLICT OF INTEREST DISCLOSURE FORM

It is the policy of The Nature Conservancy ("TNC") to identify actual, potential or perceived conflicts of interest in any situation in which TNC has a significant business interest. To assist TNC in complying with this policy, we request that all individuals and/or organizations that will be involved in a proposed transaction with TNC complete this form.

TRANSACTION *(TNC staff complete transaction section)*

For **Real Estate transactions**, describe the property, its size and the type of deal (e.g., purchase or sale, gift, fee, easement, or other). Fee acquisition of approximately 123 acres located in San Diego County, California

Total dollar value of transaction: \$520,000

PARTIES

Please check the box to indicate the type of party for which this form is being completed, list all individuals and/or organizations that will be involved in this transaction, then complete the applicable section that follows. An "organization" includes a for profit corporation, partnership, trust, estate, joint venture, limited liability corporation, professional corporation or unincorporated entity of any kind, a foundation, public board, commission, and a 501(c)(3) or other charitable organization.

- ☒ Individuals (list all, then complete Section 1): **Thomas C. Hebrank**
- ☒ For Profit Organizations (list all, then complete Section 2): **Jamul Meadows Partners, a California general partnership; Lyons Valley Partners, a California general partnership; and Hidden Hills Partners, a California general partnership**
- ☐ Not for Profit Organizations (list all, then complete Section 3): **N/A**

Note: Please refer to the attached list of TNC key employees and current and prior members of TNC's Board of Directors when completing the rest of this form.

1. INDIVIDUALS:

Please check all that apply and attach an explanation for any "Yes" answers.

| | Yes | No |
|---|-----|----|
| a. Are you now, or have you been at any time since July 1, 2011, a TNC "key employee" or a member of the TNC Board of Directors as identified on the attached list? | | X |
| b. Are you now or have you been in the past 12 months a TNC employee (other than a key employee), a Chapter Trustee or member of a Country Program Advisory Council? | | X |
| c. Have you contributed to TNC U.S. \$5 million or more during the current year, or U.S. \$25 million or more, cumulatively, in this year and the prior five (5) years? | | X |

| | | |
|---|--|---|
| d. To your knowledge, are you a Family Member of any individual identified in paragraph a, b or c above? (For these purposes, the term "Family Member" includes the individual's spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren; and any person with whom the covered person shares living quarters under circumstances that closely resemble a marital relationship or who is financially dependent upon the covered person.) | | X |
|---|--|---|

2. FOR PROFIT ORGANIZATIONS:

Please check all that apply and attach an explanation for any "Yes" answers.

| | Yes | No |
|---|-----|----|
| a. Has the organization made total aggregate contributions to TNC (i) during the current year of U.S. \$5 million or more, or (ii) during the current and last five (5) years of U.S. \$25 million or more? | | X |
| b. Now or at the time of the proposed transaction, does or will any TNC employee, member of TNC's Board of Directors, or TNC Chapter Trustee or Advisory Council member, individually or collectively with other such persons (including Family Members of such persons; see Section 1(d) above for definition of Family Members), own more than 35% of the stock or value of the organization (directly or indirectly), or have the legal or de facto power to exercise a controlling influence over the organization's management or policies, e.g., as an officer, key management employee, board member or partner? | | X |
| c. Now, or at the time of the proposed transaction, have or will any members of TNC's current Executive Team or Board of Directors (see attached list) serve as: <ul style="list-style-type: none"> an officer, director, trustee, key employee, or partner; or if the entity is a limited liability corporation, a member; or if the entity is a professional corporation, a shareholder? | | X |

3. NON PROFIT ORGANIZATIONS:

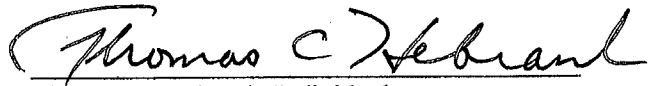
Please check all that apply and attach an explanation for any "Yes" Answers.

| | Yes | No |
|---|-----|-----|
| a. Now or at the time of the proposed transaction, have or will any TNC employee, member of TNC's Board of Directors, Chapter Trustees, Country Program Council Advisors, or Family Members of any of these, individually or collectively, have the ability to control management of the entity? See Section 1(d) above for definition of Family Members. | N/A | N/A |

SIGNATURES FOR ALL PARTIES IDENTIFIED ABOVE

The undersigned certifies that the information provided above is true and correct to the best of his/her knowledge.

Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest



Thomas C. Hebrank, Individual

Date: 10/27/15

Thomas C. Hebrank

Date: _____

Individuals who in the current fiscal year (FY16) are or during the preceding five fiscal years have been a Conservancy "key employee" or a member of the Board of Directors:

Key Employees

Current Executive Team

Justin Adams
David Banks
Charles Bedford
Giulio Boccaletti
Mark Burget
Maria Damanaki
Mario D'Amico
William Ginn
Santiago Gowland
Wisla Heneghan
Steve Howell
Peter Kareiva
Joe Keenan
Brian McPeck
Pascal Mittermaier
Glenn Prickett
Lois Quam
Angie Sosdian
Mark Tercek
Peter Wheeler
Janine Wilkin

Other/Former Key Employees

Karen Berky
Rebecca Bowen
John Cook
Addison Dana
Rebecca Girvin-Argon
Katherine Imhoff
Lynne Hale
Michelle Lakly
Russell Leiman
Robert McKim
Catherine Nardone
Craig Neyman
Karen Poiani
Geof Rochester
Michael Sweeney
Philip Tabas
Elizabeth Ward

Current Board of Directors (FY '16)

Teresa Beck
David Blood
Shona L. Brown
Gretchen C. Daily
Steven A. Denning
Joseph H. Gleberman
Jeremy Grantham
William Frist
Frank E. Loy
Jane Lubchenco

Jack Ma
Claudia Madrazo
Craig McCaw
Thomas J. Meredith
Thomas Middleton
Ana M. Parma
Stephen Polasky
James E. Rogers
Vincent Ryan
Muneer A. Satter
Brenda Shapiro
Mark Tercek
Thomas J. Tierney
Moses Tsang
Frances A. Ulmer
P. Roy Vagelos
Margaret C. Whitman

Prior Board Members (FYs '11-'15)

Gordon Crawford
Harry Groome
Roger Milliken, Jr.
James C. Morgan
Roberto Hernández Ramirez
John P. Sall
Cristián Samper
Georgia Welles
Shirley Young

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AMENDMENT TO
PURCHASE AND SALE AGREEMENT
(FEE INTEREST)

(SAN DIEGO • LYONS VALLEY • LYONS VALLEY PARTNERS, ET AL)

This Amendment to Purchase and Sale Agreement (the "**Amendment**") is made by and between, on one hand, Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest (collectively, "**Seller**") and, on the other hand, The Nature Conservancy, a District of Columbia nonprofit corporation (including its successors and assigns, "**Buyer**"). This Amendment is dated as of and is effective as of December 15, 2015 (the "**Amendment Date**").

RECITALS

A. Buyer and Seller have entered into that certain Purchase and Sale Agreement, dated October 27, 2015 (the "**Original Agreement**"), pursuant to which Seller has agreed to sell to Buyer that certain real property located in San Diego County, California, and more particularly described on **Exhibit A** attached to the Original Agreement.

B. Buyer and Seller desire to amend certain provisions of the Original Agreement, as set forth below.

AGREEMENT

In consideration of the mutual covenants contained in this Amendment and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Buyer and Seller agree as follows:

1. **Defined Terms.** Each capitalized term used in this Amendment has the meaning ascribed to that term in the Original Agreement, unless otherwise expressly defined in this Amendment. As a result of this Amendment the term "**Agreement**" as used in the Original Agreement and in this Amendment will mean the Original Agreement as amended by this Amendment.

2. **Continuation Notice.** The first sentence of Paragraph 4 of the Original Agreement is revised as follows (revisions shown in ***bold italic***):

"If Buyer wishes to proceed with the acquisition of the Property, Buyer will give Seller a written notice to that effect (the "**Continuation Notice**") on or before **January 11, 2016** (the "**Continuation Notice Deadline**")."


3. **No Other Modifications.** Except as expressly modified by this Amendment, the Original Agreement and all of its terms, conditions, and stipulations remain in full force and effect and unmodified.

4. **Execution.** This Amendment may be executed in multiple counterparts, and each executed counterpart of this Amendment will be deemed an original for all purposes despite the fact that not all of the parties are signatories to the same counterpart. Electronic signatures, digital signatures, and fax signatures are acceptable for this Amendment. Signed signature pages of this Amendment may be transmitted by fax, by email, or by any other electronic means, and any such signature will have the same legal effect as an original signature.

Seller and Buyer have executed this Amendment effective as of the First Amendment Date.

Seller:

Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest


Thomas C. Hebrank

Date: 12/17/15

Buyer:

The Nature Conservancy,
a District of Columbia non-profit corporation

By: Michael McFadden

Name: Michael McFadden

Title: Acting Director of Conservation Investments

Date: 12/18/15

SECOND AMENDMENT TO
PURCHASE AND SALE AGREEMENT
(FEE INTEREST)

(SAN DIEGO • LYONS VALLEY • LYONS VALLEY PARTNERS, ET AL)

This Second Amendment to Purchase and Sale Agreement (the "**Second Amendment**") is made by and between, on one hand, Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest (collectively, "**Seller**") and, on the other hand, The Nature Conservancy, a District of Columbia nonprofit corporation (including its successors and assigns, "**Buyer**"). This Second Amendment is dated as of and is effective as of January 28, 2016 (the "**Second Amendment Date**").

RECITALS

A. Buyer and Seller have entered into that certain Purchase and Sale Agreement, dated October 27, 2015, as amended by that certain Amendment to Purchase and Sale Agreement, dated December 15, 2015 (as amended, the "**Original Agreement**"), pursuant to which Seller has agreed to sell to Buyer that certain real property located in San Diego County, California, and more particularly described on **Exhibit A** attached to the Original Agreement.

B. Buyer and Seller desire to amend certain provisions of the Original Agreement, as set forth below.

AGREEMENT

In consideration of the mutual covenants contained in this Second Amendment and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Buyer and Seller agree as follows:

1. **Defined Terms.** Each capitalized term used in this Second Amendment has the meaning ascribed to that term in the Original Agreement, unless otherwise expressly defined in this Second Amendment. As a result of this Second Amendment the term "**Agreement**" as used in the Original Agreement and in this Second Amendment will mean the Original Agreement as amended by this Second Amendment.

2. **Closing Date.** The Closing Date is hereby extended to February 19, 2016.

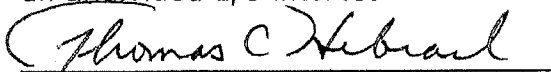
3. **No Other Modifications.** Except as expressly modified by this Second Amendment, the Original Agreement and all of its terms, conditions, and stipulations remain in full force and effect and unmodified.

4. **Execution.** This Second Amendment may be executed in multiple counterparts, and each executed counterpart of this Second Amendment will be deemed an original for all purposes despite the fact that not all of the parties are signatories to the same counterpart. Electronic signatures, digital signatures, and fax signatures are acceptable for this Second Amendment. Signed signature pages of this Second Amendment may be transmitted by fax, by email, or by any other electronic means, and any such signature will have the same legal effect as an original signature.

Seller and Buyer have executed this Second Amendment effective as of the Second Amendment Date.

Seller:

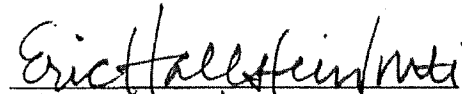
Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest


Thomas C. Hebrank

Date: 2/2/16

Buyer:

The Nature Conservancy,
a District of Columbia non-profit corporation

By: 

Name: Eric Hallstein

Title: Director of Conservation Investments

Date: 2/2/16

THIRD AMENDMENT TO
PURCHASE AND SALE AGREEMENT
(FEE INTEREST)

(SAN DIEGO • LYONS VALLEY • LYONS VALLEY PARTNERS, ET AL)

This Third Amendment to Purchase and Sale Agreement (the "**Third Amendment**") is made by and between, on one hand, Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest (collectively, "**Seller**") and, on the other hand, The Nature Conservancy, a District of Columbia nonprofit corporation (including its successors and assigns, "**Buyer**"). This Third Amendment is dated as of and is effective as of February 16, 2016 (the "**Third Amendment Date**").

RECITALS

A. Buyer and Seller have entered into that certain Purchase and Sale Agreement, dated October 27, 2015, as amended by that certain Amendment to Purchase and Sale Agreement, dated December 15, 2015, as further amended by that certain Second Amendment to Purchase and Sale Agreement, dated January 16, 2016 (as amended, the "**Original Agreement**"), pursuant to which Seller has agreed to sell to Buyer that certain real property located in San Diego County, California, and more particularly described on **Exhibit A** attached to the Original Agreement.

B. Buyer and Seller desire to amend certain provisions of the Original Agreement, as set forth below.

AGREEMENT

In consideration of the mutual covenants contained in this Third Amendment and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Buyer and Seller agree as follows:

1. **Defined Terms.** Each capitalized term used in this Third Amendment has the meaning ascribed to that term in the Original Agreement, unless otherwise expressly defined in this Third Amendment. As a result of this Third Amendment the term "**Agreement**" as used in the Original Agreement and in this Third Amendment will mean the Original Agreement as amended by this Third Amendment.

2. **Closing Date.** The Closing Date is hereby extended to June 30, 2016.

3. **No Other Modifications.** Except as expressly modified by this Third Amendment, the Original Agreement and all of its terms, conditions, and stipulations remain in full force and effect and unmodified.

4. **Execution.** This Third Amendment may be executed in multiple counterparts, and each executed counterpart of this Third Amendment will be deemed an original for all purposes despite the fact that not all of the parties are signatories to the same counterpart. Electronic signatures, digital signatures, and fax signatures are acceptable for this Third Amendment. Signed signature pages of this Third Amendment may be transmitted by fax, by email, or by any other electronic means, and any such signature will have the same legal effect as an original signature.

Seller and Buyer have executed this Third Amendment effective as of the Third Amendment Date.

Seller:

Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest



Thomas C. Hebrank

Date: 2/18/16

Buyer:

The Nature Conservancy,
a District of Columbia non-profit corporation

By: _____

Name: _____

Title: _____

Date: _____

2. **Closing Date.** The Closing Date is hereby extended to June 30, 2016.

3. **No Other Modifications.** Except as expressly modified by this Third Amendment, the Original Agreement and all of its terms, conditions, and stipulations remain in full force and effect and unmodified.

4. **Execution.** This Third Amendment may be executed in multiple counterparts, and each executed counterpart of this Third Amendment will be deemed an original for all purposes despite the fact that not all of the parties are signatories to the same counterpart. Electronic signatures, digital signatures, and fax signatures are acceptable for this Third Amendment. Signed signature pages of this Third Amendment may be transmitted by fax, by email, or by any other electronic means, and any such signature will have the same legal effect as an original signature.

Seller and Buyer have executed this Third Amendment effective as of the Third Amendment Date.

Seller:

Thomas C. Hebrank, solely in his capacity as Court-Appointed Receiver for Lyons Valley Partners, a California general partnership, as to an undivided 1/3 interest; Jamul Meadow Partners, a California general partnership, as to an undivided 1/3 interest; and Hidden Hills Partners, a California general partnership, as to an undivided 1/3 interest

Thomas C. Hebrank

Date: _____

Buyer:

The Nature Conservancy,
a District of Columbia non-profit corporation

By: Eric Hallstein

Name: Eric Hallstein

Title: Director of Conservation Investments

Date: 2/18/16