

OPEN SPACE MANAGEMENT PLAN

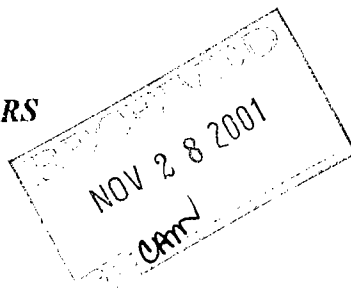
WHITNEY OAKS

***PLACER COUNTY,
CALIFORNIA***

REVISED NOVEMBER 2001

Prepared For:

***U.S. ARMY CORPS OF ENGINEERS
Regulatory Branch
1325 J Street
Sacramento, California 95814***



Prepared By:

***GIBSON & SKORDAL
Wetland Consultants
2277 Fair Oaks Blvd., Suite 395
Sacramento, California 95825***

TABLE OF CONTENTS

	Page
INTRODUCTION	1
PROJECT DESCRIPTION	1
MANAGEMENT AND MAINTENANCE OF THE OPEN SPACE	1
Open Space Managers	1
Conservation Easements	1
Nonprofit Conservancy	3
Funding Mechanisms	4
PERMITTED ACTIVITIES	4
General	4
Culvert Inlets and Outfalls	4
Utilities	4
Crossings	4
Fencing	4
Fairway Clear Zones	5
Passive Use	5
Other Activities and Structures	5
ESA & EFH Consultation	5
WETLAND MITIGATION	5
FIGURES	
Figure 1 Vicinity Map	2
APPENDICES	
Appendix A Open Space Exhibit	6
Appendix B Corps of Engineers' Authorization Letters	7
Appendix C Conservation Easement	8
Appendix D Whitney Oaks Wetlands Conservancy Bylaws	9
Appendix E Whitney Oaks Wetlands Conservancy Articles of Incorporation	10
Appendix F Supplemental Declaration for Natural Open Space Management	11
Appendix G Wetland Preserve Activities Exhibit	12

INTRODUCTION

This Open Space Management Plan specifies how the Whitney Oaks open space wetland areas will be managed and maintained to assure their preservation in perpetuity. This document was prepared to satisfy Corps of Engineers' permit requirements.

PROJECT DESCRIPTION

The Whitney Oaks project is a mixed use development on approximately 1,000 acres of land within the City of Rocklin, Placer County, California (Figure 1). Uses include a golf course, residential development, school site, parks, and open space.

Land ownership of the open space areas associated with this plan is divided among the golf course, homeowner association, private, and the City of Rocklin as shown on the map in Appendix A.

MANAGEMENT AND MAINTENANCE OF THE OPEN SPACE

Open Space Managers – Whitney Oaks Community Association (WOCA) will be responsible for those open space wetland areas which are outside the golf course. Those open space wetland areas inside the golf course will be the responsibility of the Cal Stanford Oaks, LLC. Primary responsibilities include trash removal, maintenance of the open space wetland areas in their current state, and correction of any conservation easement violations. These responsibilities will be conducted on a continuing and ongoing basis. Trash removal must occur at a minimum of twice annually. Other specific responsibilities are summarized below.

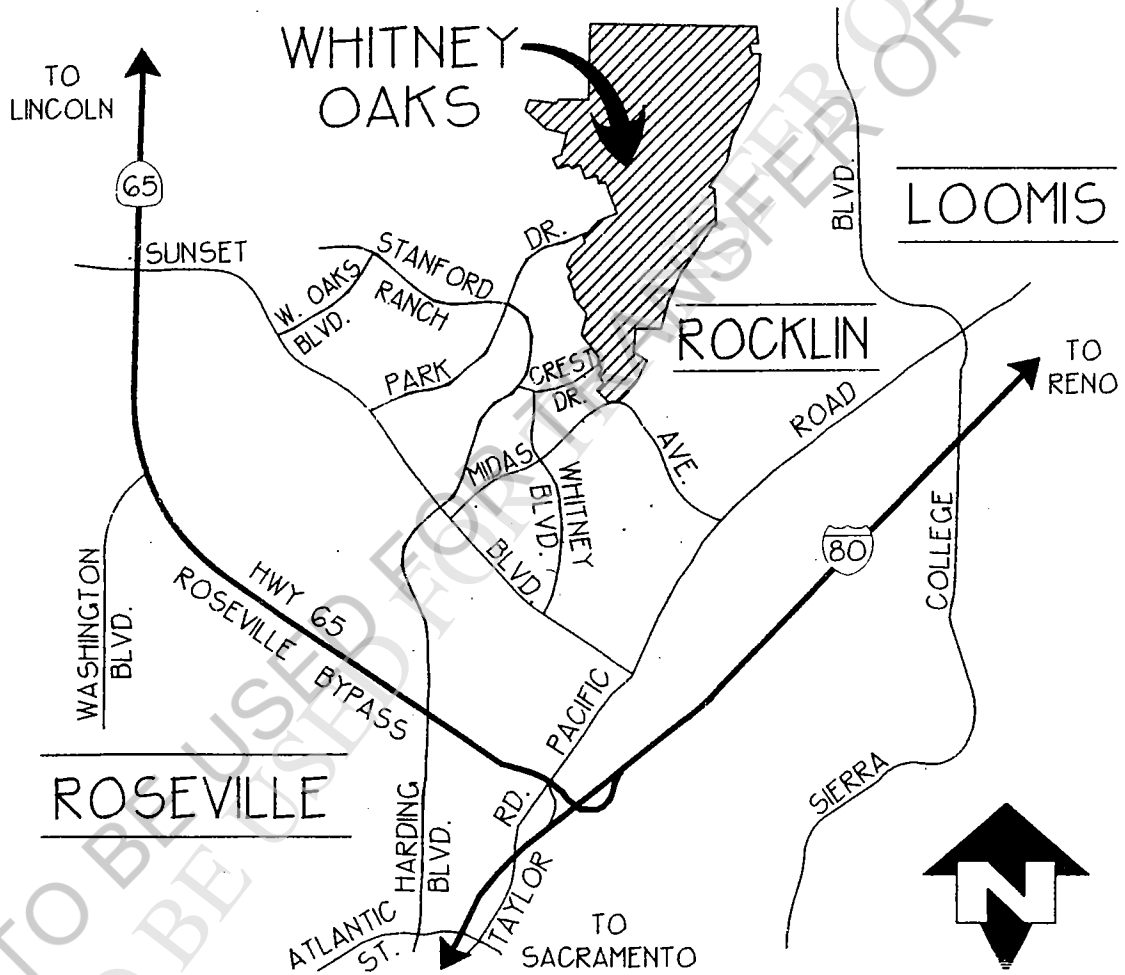
- a. The Permittee will be responsible for complying with the special conditions related to the maintenance of the open space area as stated in the Corps of Authorization letters (Appendix B) and this plan. The Permittee will contract with the WOCA and the golf course to physically undertake all required activities.
- b. The WOCA and golf course will grant a perpetual conservation easement to a non-profit public benefit corporation (Whitney Oaks Wetland Conservancy).
- c. The WOCA and golf course will each establish a \$30,000 trust fund account to be utilized for unanticipated repairs and maintenance to the open space wetland area.

Conservation Easements – Three areas will have conservation easements held by a non-profit public benefit corporation (Whitney Oaks Wetlands Conservancy) as detailed below and included in Appendix C.

- a. Conservation Easement for the 39.30 acre wetland preserve areas at the Whitney Oaks Golf Course to be executed by Cal Stanford Oaks LLC;
- b. Conservation Easement for the 5.94 acres of wetland preserves within the open space areas owned by the Whitney Oaks Community Association.

FIGURE 1
VICINITY MAP

LOCATION MAP



- c. Conservation Easement for the 13.02 acres of wetland preserves within areas currently owned by Cal Stanford Oaks LLC, but which will be eventually transferred to the Whitney Oaks Community Association as part of a larger open space area.

The Conservation Easements prohibit the following within the protected open space wetland area:

- a. Erecting any building, billboard, or sign;
- b. Using herbicides and rodenticides, and conducting weed abatement activities and any and all other uses which may adversely affect the purposes of this Easement, except as may be allowed in this management plan;
- c. Depositing soil, trash, ashes, garbage, waste, bio-solids or any other material on the Protected Wetland Areas;
- d. Excavating, dredging or removing loam, gravel, soil, rock, sand or other material in the Protected Wetland Areas, except as may be provided for in this management plan;
- e. Otherwise altering the general topography of the Protected Wetland Areas;
- f. Removing, destroying, or cutting trees, shrubs, or other vegetation, except as allowed in this management plan for: (1) maintenance of existing foot trails or roads, (2) prevention or treatment of disease, (3) maintenance of drainage ways and storm water outfalls, and (4) vegetation control of invasive species such as yellow-star thistle;
- g. Granting use of the land to any third party for off-road vehicle use;
- h. Legally subdividing the protected open space area for urban uses, recording of a subdivision plan, partition, or any other division of these areas;
- i. Paving or otherwise covering protected open space areas with concrete, asphalt, or any other impervious paving material;
- j. Granting surface entry for the exploration or extraction of minerals without approval by the Corps.

Nonprofit Conservancy – A nonprofit conservancy (Whitney Oaks Wetlands Conservancy) will be established to 1) oversee maintenance conducted by WOCA and the golf course; 2) independently monitor the protected open space wetland areas; 3) identify unauthorized work in the open space wetland areas and direct actions to correct such work; and 4) take enforcement action, as necessary, to enforce the conservation easement. Bylaws of the Conservancy are included in Appendix D and the Conservancy's Articles of Incorporation are included in Appendix E.

The Conservancy will conduct, or have conducted, biannual monitoring of the protected open space wetland areas to assure compliance. Any violations will be reported to the Corps within

three working days along with proposed measures to resolve the violation. Approved corrective measures will be completed within 60 days unless a longer time period is necessary, in which case the corrective measures shall be commenced within 60 days and diligently pursued to completion thereafter. The Conservancy will submit annual reports to the Corps, identifying monitoring results, corrective actions taken, and results of corrective actions.

Funding Mechanisms – Funding associated with monitoring, management of the Conservancy, and corrective measures will be borne by WOCA and the golf course as specified in the Supplemental Declaration for Natural Open Space Management within Whitney Oaks (Appendix F). Both entities will have a special account with a balance maintained at \$30,000 to be used solely for unanticipated repairs and maintenance in the open space areas. Routine maintenance will be accomplished with operation funds of each of the entities.

PERMITTED ACTIVITIES

General – Certain activities are specifically permitted in the open space wetland areas. Appendix G is a map identifying the location of all features within the open space wetland areas that may require maintenance and/or repair.

Culvert Inlets and Outfalls – Removal of accumulated sediment, trash, and debris above and below the culvert will be accomplished in October of each year, if necessary. The only other time maintenance would be constructed is during an emergency. This maintenance is necessary to prevent the outfall from becoming clogged and inoperable. A maximum area of 5 feet by 5 feet upstream and downstream the culvert will be maintained as detailed in Appendix G.

Utilities – Repair of any broken or damaged utility lines may occur in the open space wetland area. Such work will be accomplished in a manner that causes minimal temporary impacts to the area. A corridor no wider than 25 feet will be fenced with orange construction fencing to allow equipment to make the necessary repairs. The upper 12 inches of topsoil removed will be replaced to accommodate vegetation recovery.

Crossings – There are three types of crossings within the open space wetland areas. These are culverted crossings, clear span crossings, and piling supported crossings. Maintenance of these structures include removal of accumulated debris resulting from storm events, removal of accumulated sediment for culverted crossings (see discussions above), and repair and replacement of the actual structures. The work area for repair and replacement will be fenced with orange construction fencing and will include a maximum work area of 10 feet beyond the structure.

Fencing – All Phase II and Phase III residential lots bordering the open space wetland areas will have open fencing as required by the City of Rocklin. This requirement is a condition of the development agreement between the City of Rocklin and Cal Stanford Oaks which is a recorded document, and as such, appears on the chain of title for these properties. Open fencing such as wrought iron will be installed in those areas where residential lots are adjacent to the open space wetland areas identified in Appendix G. Permittee shall insure that all open fencing will be installed by December 31, 2004.

Fairway Clear Zones – In areas where golf play crosses restricted open space wetland areas, there is a need to limit the height of vegetative growth in the crossing areas. To accomplish this need, hand trimming of vegetation beyond two-feet high from top of bank will be accomplished twice a year if needed during the months of May and October. Common species to be trimmed include cattail (*Typha sp.*), willow (*Salix sp.*), and cottonwood (*Populus fremontii*). All trimmings will be removed from the open space wetland area. Appendix G provides a map showing all crossing areas where maintenance would be conducted. A typical cross-section showing a typical crossing area is also provided in Appendix G. As shown, no vegetation will be trimmed below a height of 2 feet as measured from the top of bank adjacent to such activity.

Passive Use – Homeowners in the subdivisions are allowed to passively use the open space wetland area only where trails cross them. However, no other structures or facilities, such as picnic tables, will be allowed in the restricted wetland areas.

Other Activities and Structures – Any activity or structure not specifically identified by this management plan must obtain prior written approval from the Corps of Engineers prior to implementation. Such activities or structures may result from natural occurrences such as floods and fires, or from unanticipated needs that are in the public interest.

ESA and EFH Consultation – Any activities within the stream channels, tributary wetlands, or associated buffers, within Whitney Oaks project site will be coordinated with the Corps of Engineers prior to implementation. The Corps of Engineers will coordinate with the U.S. Fish and Wildlife Service and/or National Marine Fisheries Services, as necessary.

WETLAND MITIGATION

Wetland mitigation will be accomplished in accordance with the Whitney Oaks Phase 3 Mitigation Plan dated September 1998.

APPENDIX A

OPEN SPACE EXHIBIT

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

APPENDIX B

CORPS OF ENGINEERS' AUTHORIZATION LETTERS

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

Whitney Oaks



DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-2922

REPLY TO
ATTENTION OF

July 28, 1999

Regulatory Branch (199700429)

Peter Bridges
Live Oak Enterprises, Inc.
8780 Auburn-Folsom Road
Granite Bay, California 95746

Dear Mr. Bridges:

I am responding to your request for a Department of the Army permit to fill 1.45 acres of waters of the United States for Phase 3 of the Whitney Oaks project. This project is in the City of Rocklin, Placer County, California.

Based on the information you have provided, the proposed discharge of dredged or fill material is authorized by Nationwide Permit Number 26. However, the State of California has denied certification for this nationwide permit. Therefore, use of the nationwide permit is denied without prejudice until either water quality certification or a waiver is obtained from the State Regional Water Quality Control Board at the address below. Work may then proceed subject to the terms and conditions of certification, or waiver thereof. The work must also meet the terms and conditions listed on the enclosed nationwide permit information sheet.

General Condition 12 of the nationwide permit states that no activity which may affect historic properties listed, or eligible for listing, in the National Register of Historic Places is authorized, until the applicant has been notified by the District Engineer that the requirements of the National Historic Preservation Act have been satisfied and that the activity is authorized. We have determined, in reliance on information provided by your consultant and in coordination with the State Historic Preservation Officer (SHPO), that one site present on the Phase III site is eligible for listing in the National Register of Historic Places. Until we have obtained the required signatures to the amendment to the MOA between the Corps and the SHPO relative to cultural resources on the project site and informed you that you may proceed, no activity within 200 feet of CA-PLA-636 may proceed.

Upon completion of the work authorized by this permit, the permittee must sign and return the enclosed compliance certificate, as required by General Condition 14.

The document entitled Mitigation Plan, Whitney Oaks, Phase 3, dated September 1998, is incorporated by reference as a condition of this authorization except as modified by the following special conditions:

1. To mitigate for the loss of 0.72 acre of 1.45 acres of filled waters of the United States, the permittee shall construct 0.90 seasonal emergent marsh in the proposed unmaintained detention basin. Construction of mitigation wetlands shall be complete prior to initiating any activity otherwise authorized by this permit. Once constructed, no activity shall occur within this basin without specific advance approval from the Corps of Engineers. The 10-acre parcel containing this basin and a portion of Pleasant Grove Creek shall be established as a preserve as described below.

2. To mitigate for the loss of 0.73 acre of 1.45 acres of filled waters of the United States and for 0.03 acre of mitigation shortfall from the previous phases, the permittee shall purchase 0.92 acre of seasonal emergent marsh from a Federally approved mitigation bank. Your project is within the service area of the Wildlands, Inc. mitigation bank in Sheridan, California. Evidence of the purchase of this mitigation shall be provided to this office prior to engaging in any activity authorized by this permit.

3. All avoided, preserved, and created waters of the United States and associated buffers within the phase 1, 2, and 3 areas of the Whitney Oaks project site shall be established as preserves.

4. A preserve management plan for the on-site and off-site mitigation, preservation, and avoidance areas shall be submitted to and approved by the Corps of Engineers in consultation with the U.S. Fish and Wildlife Service, California Department of Fish and Game, and the Environmental Protection Agency prior to implementation of any of the activities authorized by this permit. This plan shall detail any activities that are proposed within the preserve areas and the long term funding and maintenance of each of the preserve areas. Copies of this plan shall be submitted directly to each of these agencies.

5. No roads, utility lines, trails, benches, equipment storage, grading, mowing, or other structures or activities, not specifically approved, in advance, by the Corps of Engineers shall occur within the on-site mitigation, preservation, and avoidance, and buffer areas. Grading within the area labeled "secondary buffer" is authorized during project construction. Once established, the requirements for these areas shall be as described above.

6. The permittee shall provide two complete sets of as-builts of the completed work within the on-site and off-site mitigation, preservation, and avoidance areas to the Corps of Engineers. The as-builts shall indicate changes made from the original plans in indelible red ink. These as-builts shall be provided no later than 60 days after the completion of construction of the mitigation area wetlands.

7. Monitoring of on-site and off-site mitigation, preservation, and avoidance areas shall occur for five years or until the success criteria described in the final approved management and monitoring plan are met, whichever is greater. This period shall commence upon completion of the construction of the created wetlands. Additionally, continued success of created wetlands must be demonstrated for three consecutive years, once the success criteria have been met. The creation plan will not be deemed successful until this criteria has been met.

Monitoring reports shall be submitted annually for the five year monitoring period, and for each additional year, if needed due to remediation to the created wetlands. An additional monitoring report shall be provided at the end of the three year period demonstrating continued success of the mitigation program without human intervention.

8. The following actions shall be taken prior to engaging in any activity authorized by this permit:

a. Establishment of the long term funding mechanism intended to provide for maintenance and monitoring of all on-site and off-site mitigation, preservation, and avoidance areas.

b. Recordation of deed restrictions maintaining all on-site and off-site mitigation, preservation, and avoidance areas as wetland preserve and wildlife habitat in perpetuity. Copies of the proposed deed restriction language shall be provided to the Corps of Engineers for approval prior to recordation.

c. Copies of the recorded documents shall be provided to the Corps of Engineers no later than 30 days prior to the start of construction of any of the activities authorized by this permit.

9. The permittee shall notify the District Engineer of the start date and the completion date of the mitigation construction, in writing and no later than ten (10) calendar days after each date.

10. All crossings of waters of the United States shall retain a natural substrate and shall be sufficiently sized to accommodate wildlife passage. Plans for these crossings shall be submitted to and approved by the Corps of Engineers prior to implementation.

11. All terms and conditions of the Biological Opinion from the U.S. Fish and Wildlife Service, dated April 14, 1999, shall be fully implemented to ensure compliance with the endangered species general condition of the nationwide permit. Evidence of compliance with these terms and conditions shall be provided to the Corps of Engineers prior to initiating any activity authorized by this permit.

12. Project plans indicate that a portion of the Pleasant Grove Creek channel north of Park Drive is planned to be filled. There is no indication of the need to fill this portion of the channel. Therefore, this portion of the creek shall not be affected by project implementation.

This verification is valid for a period of two years from the date of this letter or until the nationwide permit is modified or expires, whichever comes first. Nationwide Permit 26 is currently scheduled to expire on September 15, 1999.

Please refer to number 199700429 in any correspondence concerning this work. If you have any questions, please write to Tom Cavanaugh, Room 1480, or telephone (916) 557-5261.

Sincerely,

ORIGINAL SIGNED

Jim Monroe, P.E., Esq.
Chief, San Joaquin Valley Office

Enclosure

Copies Furnished: w/o enclosure

California Regional Water Quality Control Board, Central Valley
Region, 3443 Routier Road, Suite A, Sacramento, California
95827-3098

Terry Roscoe, California Department of Fish and Game Region 2,
1701 Nimbus Drive, Rancho Cordova, California 95670

Kyle Merriam, US Fish and Wildlife Service, Endangered Species
Branch, 3310 El Camino Avenue, Suite 130, Sacramento,
California 95821-6340

7 Jim Gibson, Gibson & Skordal, 2277 Fair Oaks Boulevard,
Suite 395, Sacramento, California 95825

Whitney Oaks



DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-2922
November 26, 1997

REPLY TO
ATTENTION OF

Regulatory Branch (199700429)

Peter Bridges
Live Oak Enterprises, Inc.
8780 Auburn-Folsom Road
Granite Bay, California 95746

Dear Mr. Bridges:

This letter concerns your request for clarification of two provisions of our verification of authorization to discharge fill material into waters of the United States, including wetlands, for the Whitney Oaks project. This project is located in Sections 1 and 12, Township 11 North, Range 6 East and Sections 6, 7, and 18, Township 11 North, Range 7 East, MDBM, in Placer County, California.

With respect to your question regarding condition 1 d of our September 26, 1997, authorization verification letter, the wetlands and other waters of the United States in this portion were proposed to be avoided and preserved as mitigation for the unavoidable direct and indirect impacts on the rest of the project area. Protection of these avoided wetlands is a condition of our verification of authorization for the direct and indirect impacts on the balance of the project. Adherence to this condition should help to preclude any impacts to these avoided wetlands.

Based on the information you have provided we understand that there are no current plans for development of this phase of the project. Should your plans change and a need arise to impact these areas, we could accept and process an application for these impacts. However as part of the permit evaluation process we must consider whether or not less damaging practicable alternatives exist. Avoidance of these wetlands must be a primary objective in any plans for development of this property.

With respect to condition 4, we concur that equipping many of the golf course outfalls with trash racks and oil/water separators would be impracticable. However based on our field inspection you indicated that the golf course outfalls could be moved to the perimeter of the buffer zone, instead of discharging directly into wetlands and other waters. Based on the information available we are modifying condition 4 of our verification to read as follows:

Storm water drains from project streets must be designed and maintained by the permittee to remove pollutants from the water and must be clearly marked by the permittee to prevent pollution. Where golf course runoff or drainage would flow into avoided, created or preserved waters of the United States, including wetlands, it must first pass through appropriately vegetated buffers, or specifically constructed detention features, designed to remove fertilizer, pesticides and other pollutants.

All other conditions of our September 6, 1997, verification remain in effect. Thank you for your cooperation. We hope this provides the clarification you requested. If you have any questions, please write to Michael Finan, Room 1480 at the letterhead address, or telephone (916) 557-5324.

Sincerely,
ORIGINAL SIGNED

Bob Junell
Chief, Sacramento Valley Office

Copies Furnished:

- Jim Gibson, Gibson and Skordal Wetland Consultants, 100 Howe Avenue, Suite 155 North, Sacramento, California 95825
- Diana Woods, U.S. Environmental Protection Agency, Wetlands Section (WTR-8), 75 Hawthorne Street, San Francisco, California 94105-3901
- Kelly Oliver Amy, U.S. Fish and Wildlife Service, Wetlands Branch, 3310 El Camino Avenue, Suite 130 Sacramento, California 95821-6340
- Dave Zezulak, California Department of Fish and Game, Region 2, 1701 Nimbus Road, Suite A, Rancho Cordova, California 95670
- City of Rocklin, Community Development Department, 3970 Rocklin Road, Rocklin, California 95677

Whitney Oaks



DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-2922

REPLY TO
ATTENTION OF

September 26, 1997

Regulatory Branch (199700429)

Peter Bridges
Live Oak Enterprises, Inc.
110 Blue Ravine Road, Suite 162
Folsom, California 95630

Dear Mr. Bridges:

This letter concerns your request for Corps of Engineers (Corps) review of the Whitney Oaks Golf Course Subdivision project for nationwide permit authorization. This approximately 1077-acre project site is adjacent to Stanford Ranch in Sections 1, 6, 7, 12 and 18, Township 11 North, Ranges 6 and 7 East, MDBM, in Placer County, California.

Based upon the information you have provided, work in approximately 1.14 acres of waters of the United States, including wetlands, for this project may proceed under the authorization of Nationwide Permit 26 provided it complies with the terms and conditions listed on the enclosed information sheet and the following special conditions:

1. The mitigation described in the July 1997 Mitigation Plan for the Whitney Oaks project must be implemented as proposed with the following modifications:
 - a. All waters of the United States, including wetlands, within the Whitney Oaks project boundaries, which are not specifically shown as impacted on the July 10, 1997, map must be avoided and preserved.
 - b. Construction of the proposed on-site wetland mitigation habitat must occur prior to, or concurrently with, the proposed work in waters of the United States and be completed by no later than 1 year from the date of this letter.
 - c. The wetland mitigation buffers shown on the September 15, 1997, 2-sheet "Whitney Oaks Wetland Buffer Exhibit" and described in the September 12, 1997, Live Oak Enterprises mitigation amendment letter to the Corps, shall be established and maintained by the permittee as proposed. In Phase 1 and 2 areas where specific buffers are not mapped, "Primary Buffers", as defined in the above letter, which are at least 15 feet wide, shall be established and maintained outside of all compensation

NOT TO BE REPRODUCED OR RESALE

and preservation mitigation wetlands. In the Phase 1 and 2 areas, appropriate markers, or fencing, and signs designed to limit human trespass and maintain potential wildlife passage must be constructed by the permittee outside of the "Primary Buffers" prior to, or concurrently with, the proposed fills by no later than 2 months from the date of this letter.

d. In the Phase 3 area and the 10-acre parcel, north of Phase 2 impact site number 2, "Primary Buffers" which are a minimum of 100 feet wide must be established and maintained by the permittee outside of all waters of the United States, including wetlands, to preclude adverse impacts from project development to these preservation mitigation areas. Split rail or other appropriate fencing and signs designed to limit trespass and prevent adverse impacts must be constructed and maintained by the permittee outside of these buffers prior to any ground disturbing activities in these parts of the Whitney Oaks property.

e. Prior to any work in Phase 3, the 10-acre parcel or within the areas in Phases 1 and 2 where no specific buffers are mapped, "Secondary Buffers" must be established respectively, by the permittee. These buffers must be maintained as specified in the September 12, 1997 letter. Protective markers, or fencing, and signs, identified in parts c and d above, must be moved to the outside of all "Secondary Buffers" when these buffers are established.

f. All of the compensation and preservation mitigation and buffer areas must be maintained by the permittee in a natural unmowed condition, excepting fire prevention as necessary in "Secondary Buffers", as wetland and wildlife habitat preservation areas as long as the fills in waters of the United States are in place.

g. All of the wetland preservation strategies identified in the September 12, 1997, Live Oak Enterprises amendment letter and the monitoring protocol in the July 1997 mitigation plan must be implemented as proposed, subject to the above modifications. Annual monitoring reports must be provided to this office with the appropriate aerial photography by no later than December 31 of each year.

2. The following actions shall be taken by the permittee prior to December 13, 1998:

a. A suitable mechanism must be developed to fund long-term maintenance of the on-site wetland preservation mitigation areas as wetland and wildlife habitat. Evidence of this shall be provided to the Corps for approval prior to finalization.

b. Appropriate deed restrictions, maintaining all of the on-site compensation and preservation mitigation areas, including the "Primary Buffers", as wetland and wildlife habitat in perpetuity, must be recorded. Copies of these documents must be provided to the Corps for approval prior to recordation.

3. All project features, including golf course, roads and building pads, must be designed constructed and maintained by the permittee to allow for passage of expected flood flows and for the implementation of fire prevention measures without necessitating any disturbance, including vegetation removal, in the preservation mitigation or "Primary Buffer" areas.

4. Storm water must not be discharged from the project into Pleasant Grove Creek, its tributaries or adjacent wetlands without first passing through trash racks and functional oil/water separators constructed and maintained by the permittee to remove pollutants from the water. All storm water or irrigation drains must be clearly marked and maintained by the permittee to prevent pollution.

5. Work in the Phase 1 and 2 areas which could have an effect on properties eligible for inclusion in the National Register of Historic Places must follow the approved Historic Properties Treatment Plan. A signed copy of the Memorandum of Agreement regarding the effect of the Phase 1 and Phase 2 work on Historic Properties is enclosed. No work which may affect listed, eligible or potentially eligible Historic Properties in any other areas of the Whitney Oaks project is authorized.

This verification is valid until this Nationwide Permit expires on December 13, 1998. Please reference number 199700429 in any correspondence pertaining to this work. Additionally we request that the archaeologist responsible for implementing the Historic Properties Treatment Plan provide us with an advance schedule for the field work so that we may arrange a site visit during this period.

Thank you for your cooperation. If you have any questions, please write to Michael Finan, Room 1480, at the letterhead address, or telephone (702) 784-5304.

Sincerely,
ORIGINAL SIGNED

Bob Junell
Chief, Sacramento Valley Office

Enclosures

Copies Furnished: w/o enclosures

7 Jim Gibson, Gibson and Skordal Wetland Consultants, 100 Howe Avenue, Suite 155 North, Sacramento, California 95825
Diana Woods, U.S. Environmental Protection Agency, Wetlands Section. (WTR-8), 75 Hawthorne Street, San Francisco, California 94105-3901
Kelly Oliver Amy, U.S. Fish and Wildlife Service, Wetlands Branch, 3310 El Camino Avenue, Suite 130 Sacramento, California 95821-6340
Dave Zezulak, California Department of Fish and Game, Region 2, 1701 Nimbus Road, Suite A, Rancho Cordova, California 95670
City of Rocklin, Community Development Department, 3970 Rocklin Road, Rocklin, California 95677



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-2922

August 28, 1997

Regulatory Branch (199700429)

Peter Bridges
Live Oak Enterprises, Inc.
8780 Auburn-Folsom Road
Granite Bay, California 95746

Dear Mr. Bridges:

This letter concerns your request for verification of Nationwide Permit 26 authorization to fill waters of the United States, including wetlands, for the Whitney Oaks Golf Course and residential subdivision project. The mapping of the wetland boundaries used for the project as proposed does not reflect the wetland boundaries or acreage we verified previously. Our January 8, 1996, verification of a November 1995 map was for a total of 18.84 acres of waters of the United States, including wetlands, within the 1,063 acre parcel. The map you are currently using depicts the footprint of these waters to be significantly reduced in a number of places and a total of only 16.74 acres of waters, including wetlands, within the same parcel. This difference must be resolved for us to accurately assess both the direct and indirect impacts of the project.

A recent site visit found that the buffers around the golf course required as a condition of our earlier nationwide permit verification have not been established. Areas adjacent to the existing wetlands which were designated as buffer in the original proposal or on the current proposal appear to be graded and are being mowed to wetlands which are shown as completely avoided. Eliminating these buffers significantly increase the level of project impacts. These impacts must be included in our assessment.

In view of the above inadequacies we can not verify that your project can be constructed under Nationwide Permit 26. Further, since you are not in compliance with the conditions of your existing Nationwide 26 you are no longer authorized to conduct any work in waters of the United States.

We continue to be concerned about the effect of not including large areas of your development area in your request. This appears to create an artificial constraint on the ability to avoid or provide adequate buffers for the wetlands and the riparian habitat. If the area shown as "Phase 3" were considered in our analysis to accommodate parts of the proposed development, the direct and indirect impacts could be completely avoided or at the very least significantly reduced.

If you can modify your proposal and take other corrective actions to eliminate these concerns we will be willing to reconsider verification of a Nationwide 26 Permit for your project. We encourage you to revise your mitigation plan, and to propose other measures to resolve these issues. Otherwise, you will need to apply for and obtain an individual permit prior to placing material in waters of the United States.

You requested copies of the comment letters we have received in response to the pre-construction notification for this work. Copies of the letters we received from the U.S. Fish and Wildlife Service and the U.S. Environmental Protection Agency are enclosed.

Please refer to Number 199700429 in any correspondence about this application. If you have any questions, please write to Michael Finan, Room 1480, at the letterhead address, or telephone (916) 557-5324.

Sincerely,

ORIGINAL SIGNED

Tom Coe
Chief, Central California/Nevada
Section

Enclosures

Copy Furnished w/enclosures

7 Jim Gibson, Gibson & Skordal Wetland Consultants, 2277 Fair Oaks Boulevard, Suite 395, Sacramento, California 95825

Copies Furnished w/o enclosures:

Daniel Meer, U.S. Environmental Protection Agency, Clean Water Act Compliance Office (WTR-7), Region IX, 75 Hawthorne Street, San Francisco, California 94105

Wayne White, U.S. Fish and Wildlife Service, Wetlands Branch, 3310 El Camino Avenue, Suite 130, Sacramento, California 95821-6340



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
U.S. ARMY ENGINEER DISTRICT, SACRAMENTO
CORPS OF ENGINEERS
1325 J STREET
SACRAMENTO, CALIFORNIA 95814-2922

November 8, 1996

Regulatory Branch (199500731) 198900009

Peter Bridges
Live Oak Enterprises, Inc.
110 Blue Ravine Road, Suite 162
Folsom, California 95630

Dear Mr. Bridges:

This letter concerns your request for our review of the Whitney Oaks Golf Course and Subdivision project for nationwide permit authorization. This property is adjacent to Stanford Ranch in Sections 1, 6, 7 and 12, Township 11 North, Ranges 6 and 7 East, MDBM, in Placer County, California.

We have reviewed the supplemental information as well as the phasing map of the project area you have provided. We have received the enclosed copy of state waiver of water quality certification for the project as proposed.

Based upon the information you have provided, work resulting in the filling of approximately 0.82 acres of waters of the United States, including wetlands, for Phases 1 and 2 of the project may proceed under the authorization of Nationwide Permit 26 provided it complies with the terms and conditions listed on the enclosed information sheet as well as the following special conditions:

1. The mitigation described in the April 1996 Mitigation Plan for the Whitney Oaks project and supplements dated April 30, 1996, and May 31, 1996, shall be implemented as proposed. The mitigation plan shall be modified to add the following:

a. A total of 18.02 acres of wetlands and other waters of the United States as shown on the verified delineation map (Appendix A) must be preserved on-site. A total of approximately 0.70 acres of wetlands must be created on-site. Approximately 4,600 linear feet of intermittent channel must be enhanced on-site.

b. Construction of the mitigation features shall occur prior to, or concurrently with, the construction of project features in waters of the United States. The permittee shall submit a complete set of as-builts of the completed work within the mitigation areas to the Corps of Engineers no later than 60 days after the completion of construction of the mitigation area wetlands.

c. Minimum buffer areas which are at least 15 feet wide shall be established and maintained outside of all of the areas proposed as mitigation through creation, enhancement or preservation. Split rail or other appropriate fencing shall be constructed and maintained outside of the perimeter of all of these mitigation areas, including the preserved waters of the United States, including wetlands, in the northwest corner of the property. This fencing shall be designed to limit human trespass but maintain potential wildlife passage and be constructed prior to, or concurrently with, the proposed permitted fills. The minimum buffers and mitigation areas shall be maintained in a natural unmowed condition, as wetland preserve and wildlife habitat, as long as the fills in waters of the United States are in place. Maintenance within the buffer and mitigation areas shall be limited to the removal of weedy or non-native plant species and maintenance of water control features.

d. All performance standards must be met by no later than five years following project construction. Plant diversity similar to that identified in the "Existing Resources" section of the Mitigation Plan shall be established, documented and maintained throughout each of the proposed mitigation areas for the mitigation to be deemed successful. Additionally, continued success of the mitigation wetlands, without human intervention must be demonstrated for a period of at least three consecutive years, once the success criteria have been met for the mitigation to be deemed successful.

e. The monitoring protocol must be implemented as proposed. Annual monitoring reports must be provided to this office with the appropriate aerial photography by no later than December 31 of each year.

2. No work is authorized in waters of the United States, including wetlands, within 100 feet of any identified potentially eligible historic property in any portion of the property, except the area shown as Phase 1, until the Section 106 consultation process has been completed and any resultant treatment plan implemented.

3. Documentation that the project proponents have satisfied the mitigation responsibilities detailed in the U.S. Fish and Wildlife Service's August 1, 1996, letter must be provided to this office prior to any work which would result in an effect to threatened or endangered vernal pool fairy shrimp or tadpole shrimp habitat.

The enclosed letter from the State Historic Preservation Office concludes our consultation under Section 106 of the National Historic Preservation Act for the portions of Phase 1 of the which are within our permit area.

Number 199000967 has been assigned to this project. Please reference this number in any correspondence pertaining to this work. If you have any questions, please write to Michael Finan, Room 1480, at the letterhead address, or telephone (702) 784-5304.

Sincerely,

Bob Junell
Chief, Sacramento Valley Office

Enclosures

Copies Furnished: w/o enclosures

Gibson and Skordal Wetland Consultants, 100 Howe Avenue, Suite
155 North, Sacramento, California 95825
U.S. Environmental Protection Agency, Wetlands Section (W-3-3),
75 Hawthorne Street, San Francisco, California 94105-3901
U.S. Fish and Wildlife Service, Wetlands Branch, 3310 El Camino
Avenue, Suite 130 Sacramento, California 95821-6340
California Department of Fish and Game, Region 2, 1701 Nimbus
Road, Suite A, Rancho Cordova, California 95670

APPENDIX C

CONSERVATION EASEMENT

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

RECORDING REQUESTED BY:)
)
)
)
)
WHEN RECORDED MAIL TO:)
Whitney Oaks Wetlands Conservancy)
4308 Live Oak Lane)
Rocklin, CA 95765)

**GRANT OF
PERPETUAL CONSERVATION EASEMENT**

THIS GRANT OF PERPETUAL CONSERVATION EASEMENT (the "EASEMENT") is made this ____ day of _____, by the **WHITNEY OAKS COMMUNITY ASSOCIATION**, a non-profit mutual benefit corporation ("**Grantor**"), in favor of the **WHITNEY OAKS WETLANDS CONSERVANCY**, a California non-profit public benefit corporation ("**Grantee**").

RECITALS

A. Grantor is a non-profit mutual benefit corporation and is the sole owner in fee simple of certain real property located in the City of Rocklin, County of Placer, State of California, as described in Exhibit "A" hereto (the "**Grantor's Property**"), upon which are situated certain wetland areas as depicted on the map attached hereto as Exhibit "B" (the "**Protected Wetland Areas**"). Exhibit "B" shows the 6.24 ± acres of Protected Wetland Areas within the Grantor's Property which are being made subject to this Easement; and

B. Grantee is a non-profit public benefit corporation formed under the laws of the State of California, and is authorized to hold conservation easements under California Civil Code § 815 et seq.; and

C. The United States Army Corps of Engineers (the "**Corps**") within the United States Department of Defense, is authorized by Federal law to administer the Clean Water Act (33 United

States Code Section 1251 et seq.) and other federal laws and regulations; and

D. The Protected Wetland Areas possess significant ecological and wetland values that benefit waters of the United States which are of aesthetic, ecological, and scientific value to the people of California and the people of the United States. These values are of great importance to both Grantor and Grantee; and

E. Significant portions of the Grantor's Property, consisting of approximately Six and Twenty-four One-Hundredths (6.24) acres, have been presently identified by the Corps as containing wetlands and associated buffer areas which Grantor and Grantee desire to conserve and protect pursuant to the Whitney Oaks Open Space Management Plan (the "**Management Plan**") attached to this Easement as Exhibit "C"; and

F. Grantor intends to convey to Grantee the right to conserve and protect the wetland and conservation values of the Protected Wetland Areas in perpetuity; and

G. Grantee agrees by accepting this grant to honor the intentions of Grantee stated herein and to conserve and protect in perpetuity the wetland and conservation values of the Protected Wetland Areas in accordance with the terms of this Easement and the Management Plan; and

H. This Easement provides mitigation for certain impacts located in City of Rocklin, County of Placer, State of California, described in authorizations to fill wetlands at the Whitney Oaks Project (Corps' Regulatory Branch #199700429) issued by the Corps on November 8, 1996; August 28, 1997; September 26, 1997; November 26, 1997; and July 28, 1999 pursuant to Nationwide Permit 26 promulgated under Section 404 of the Clean Water Act. This Easement is intended to fulfill certain of the terms and conditions of the aforementioned authorizations under Nationwide Permit 26.

COVENANTS, TERMS, CONDITIONS, AND RESTRICTIONS

In consideration of the above and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of California and California Civil Code section 815 et seq., Grantor hereby voluntarily grants and conveys to Grantee a perpetual conservation easement over the Protected Wetland Areas of the nature and character and to the extent hereinafter set forth below:

1. PURPOSE

It is the purpose of this Easement to assure that the wetlands in the Protected Wetland Areas will be retained forever in a natural and open space condition and to prevent any use of the Protected Wetland Areas that will impair or interfere with the wetlands at the Protected Wetland Areas. Grantor intends that this Easement (i) will assure that the Protected Wetland Areas will be used for such activities as are consistent with the conservation purposes of this Easement, and (ii) shall be implemented consistently with the Management Plan.

2. RIGHTS OF GRANTEE

To accomplish the purpose of this Easement, the following rights are conveyed to Grantee by this Easement:

(a) To conserve and protect the Protected Wetland Areas in a manner consistent with the Management Plan; and

(b) To enter upon and traverse the Grantor's Property at all times in order to have access to the Protected Wetland Areas and to monitor Grantor's compliance with and otherwise enforce the terms of this Easement and to fulfill Grantor's duties as identified in the Management Plan; provided that such entry shall not unreasonably impair or interfere with Grantor's use and quiet enjoyment of the Grantor's Property or unreasonably disturb natural resources on the Protected Wetland Areas; and

(c) To prevent any activity on or use of the Protected Wetland Areas that is inconsistent with the conservation purposes of this Easement and the Management Plan and to require the restoration of such areas or features of the Protected Wetland Areas that may be damaged by any inconsistent activity or use; and

(d) To conserve and protect all mineral, air, water rights, and ground water required

to protect and to sustain the wetland resources of the Protected Wetland Areas.

3. PROHIBITED USES

Subject to the provisions of Paragraph 4 herein, any activity on or use of the Protected Wetland Areas inconsistent with the conservation purposes of this Easement is prohibited except as stated in the Management Plan. Without limiting the generality of the foregoing, Grantor, its successors, assigns, agents, and potential future lessees are expressly prohibited from doing any of the following on Protected Wetland Areas:

- (a) Erecting any building, billboard, or sign;
- (b) Using herbicides and rodenticides, and conducting weed abatement activities, incompatible fire protection activities and any and all other uses which may adversely affect the purposes of this Easement, except as may be allowed in the Management Plan;
- (c) Depositing soil, trash, ashes, garbage, waste, bio-solids or any other material on the Protected Wetland Areas;
- (d) Excavating, dredging or removing loam, gravel, soil, rock, sand or other material in the Protected Wetland Areas, except as may be provided for in the Management Plan;
- (e) Otherwise altering the general topography of the Protected Wetland Areas;
- (f) Removing, destroying, or cutting trees, shrubs, or other vegetation, except as allowed in the Management Plan for: (1) maintenance of existing foot trails or roads, (2) prevention or treatment of disease, (3) maintenance of drainage ways and storm water outfalls, and (4) vegetation control, including, but not limited to invasive species such as yellow star thistle;
- (g) Granting use of the land to any third party for off-road vehicle use;
- (h) Legally subdividing the Protected Wetland Areas for urban uses, recording of a subdivision plan, partition, or any other division of the Protected Wetland Areas;
- (i) Paving or otherwise covering the Protected Wetland Areas with concrete, asphalt, or any other impervious paving material;
- (j) Granting surface entry for the exploration or extraction of minerals without approval by the Corps.

4. GRANTOR'S DUTIES

Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the conservation values of the Protected Wetland Areas.

5. RESERVED RIGHTS

Grantor reserves to itself, and to its successors, assigns, and agents all rights accruing from its ownership of the Grantor's Property and the Protected Wetland Areas, including the right to engage in or permit or invite others to engage in all uses of the Protected Wetland Areas that are not expressly prohibited herein and are not inconsistent with the wetland conservation purposes of this Easement.

6. REMEDIES

If Grantee determines that there is a violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involved injury to the Protected Wetland Areas resulting from any use or activity inconsistent with the purpose of this Easement, to restore in accordance with the Management Plan the portion of the Protected Wetland Areas so injured. In any instance, measures to cure the violation shall be reviewed and approved by the Corps. If the Grantor fails to cure a violation within sixty (60) days after receipt of notice thereof from Grantee and the receipt of Corps approval, or under circumstances where the violation cannot reasonably be cured within a sixty (60) day period, or fails to continue diligently to cure such violation until finally cured, the Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, ex parte as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement or injury to any wetlands protected by this Easement and to require the restoration of the wetlands on the Protected Wetland Areas to the condition that existed prior to any such injury. If the Grantee, in its good faith and reasonable discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the wetlands at the Protected Wetland Areas, the Grantee may pursue its remedies under this paragraph without prior notice to the Grantor or without waiting for the period provided for the cure to expire. Each party's rights under this paragraph apply equally in the event of either actual or threatened violations

of the terms of this Easement, and each party agrees that the other party's remedies at law for any violation of the terms of this Easement are inadequate and that such party shall be entitled to the injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which such party may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Each party's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Furthermore, the provisions of California Civil Code section 815 et seq., are incorporated herein by this reference and this Easement is made subject to all of the rights and remedies set forth therein. If at any time in the future Grantor or Grantee or any subsequent transferee or assignee uses or threatens to use the Protected Wetland Areas for purposes not in conformance with the provisions of this Easement, or releases or abandons this Easement in whole or in part, notwithstanding California Civil Code § 815 et seq., the California Attorney General or the United States acting through the Corps, shall have standing as interested parties, and as third party beneficiaries in any proceeding affecting this Easement.

(a) Costs of Enforcement. Reasonable costs incurred by any party enforcing the terms of this Easement, including without limitation, costs of suit and attorneys fees, and any costs of restoration necessitated by a violation of the terms of this Easement shall be borne by the breaching party. If a party prevails in any action to enforce the terms of this Easement, such party's costs of suit including, without limitation, attorneys' fees, shall be borne by the other party.

(b) Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Easement shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Easement or of any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

(c) Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, drought,

flood, storm, earth movement caused by an earthquake and acts of God.

7. COSTS AND LIABILITIES

Except as set forth in this Easement, or as otherwise agreed in writing between the parties hereto, Grantor retains all responsibilities related to the ownership, operation, upkeep, and maintenance of the Protected Wetland Areas.

(a) Taxes: Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Protected Wetland Areas by competent authority, including any taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request.

(b) Hold Harmless: Grantor or its successors and transferees shall hold harmless, indemnify, and defend Grantee and its directors, officers, employees, agents and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expense, causes of action, claims, demands, or judgments, including without limitation, reasonable attorneys' fees, arising from or in any way connected with: (1) injury to or the death of any person, or physical damages to any property, resulting from any act, omission, condition or other matter occurring on the Protected Wetland Areas, unless caused by the acts or omissions of any of the Indemnified Parties; and (2) the existence or administration of this Easement.

8. ASSIGNMENT

This Easement is transferable, but Grantee shall give Grantor and Corps at least thirty (30) days prior written notice of the transfer. Grantee may assign its rights and obligations under this Easement only to an organization that is 1) approved by the Corps; and, 2) authorized to acquire and hold conservation easements under California Civil Code section 815 et seq. (or any successor provision then applicable). As a condition of such assignment or transfer, the assignee or transferee shall agree in writing that the wetland conservation purposes that this grant is intended to advance shall continue to be fulfilled and that the Management Plan will be enforced. In the event of the termination of Grantee's existence, the rights and obligations of Grantee hereunder shall, by that fact itself, and without any further action on the part of any entity, be deemed assigned to the Corps.

9. SUBSEQUENT TRANSFERS

Grantor agrees to incorporate the terms of this Easement in any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Protected Wetland Areas, including, without limitation, a leasehold interest. Grantor further agrees to give written notice to Grantee and the Corps at least ten (10) days prior to the date of any property transfer. The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

10. ESTOPPEL CERTIFICATES

Upon request by Grantor, Grantee shall within ten (10) days execute and deliver to Grantor any document, including an estoppel certificate, which certifies Grantor's compliance with any obligation of Grantor contained in this Easement and otherwise evidences the status of this Easement as may be requested by Grantor.

11. NOTICES

Any notice, demand, request, consent, approval, or communication that the parties desire or is required to give to the others shall be in writing and either served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor: Whitney Oaks Community Association
270 Gateway Oaks Drive, Suite 100 South
Sacramento, California 95833
Attn: Vierra-Moore

To Grantee: Whitney Oaks Wetlands Conservancy
4308 Live Oak Lane
Rocklin, California 95765

To Corps: Corps of Engineers
1325 "J" Street, Room 1480
Sacramento, California 95814-2922
Attn: Chief, Sacramento Valley Office

or to such other address or the attention of such other person which a party from time to time may designate by written notice to the others.

12. RECORDATION

Grantor shall submit an original, signed and notarized Grant of Perpetual Conservation Easement to Grantee and Grantee shall promptly record this Easement in the official records of Placer County, California and may re-record it at any time as may be required to preserve its rights in this Easement.

13. ADDITIONAL EASEMENTS

Grantor shall not grant any additional easements, rights-of-way, or other interests in the Protected Wetland Areas, other than a fee or leasehold interest, undivided interest or security interest (mortgage or deed of trust), or grant or otherwise transfer to any other person or entity or otherwise abandon or relinquish any jurisdictional waters of the United States associated with the Protected Wetland Areas without the prior written authorization of Grantee and Corps. Such authorization will be given unless the Corps, among other things, determines that the proposed interest or transfer will interfere with the wetlands at the Protected Wetland Areas. This paragraph shall not prohibit the transfer of a fee title or leasehold interest in the Protected Wetland Areas that is subject to the terms of this Easement. This paragraph shall also not prohibit the granting of future compatible utility easements, as authorized by the Grantee.

15. GENERAL PROVISIONS

(a) Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of California, the Federal Clean Water Act, and other applicable Federal laws.

(b) Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be construed in favor of the grant to effect the wetlands conservation purposes of this Easement and the policy and purpose of California Civil Code Section 815 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(c) Severability. If any provision of this Easement, or the application thereof to

any person or circumstances, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

(d) Entire Agreement; Amendment. This instrument sets forth the entire agreement of the parties with respect to the Easement and all exhibits and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement. This Easement may not be amended, modified or terminated except by a written document executed by Grantor and Grantee which has received the prior written consent of the Corps.

(e) No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

(f) Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, transferees and assigns and shall continue as servitude running in perpetuity with the Protected Wetland Areas.

(g) Captions. The captions in this Easement have been inserted solely for convenience of reference and are not a part of this Easement and shall have no effect upon its construction or interpretation.

(h) Counterparts. The parties may execute this Easement in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

(i) Third-Party Beneficiary. Grantor and Grantee acknowledge that the Corps is a third party beneficiary of this Easement with the right of access to the Protected Wetland Areas and the right to enforce all of the provisions of this Easement.

(j) Annual Reports. Grantee shall provide Corps with annual monitoring reports to assure the grantor's compliance with the requirements of this Easement and the Management Plan.

(k) Not an Offer to Dedicate; No Right to Public Use. The provisions of this Easement do not constitute an offer for public use, and this Easement does not constitute an irrevocable offer to dedicate the Protected Wetland Areas.

IN WITNESS WHEREOF, Grantor and Grantee have entered into this Easement effective as of the day and year first above written.

Grantor:

**WHINEY OAKS COMMUNITY ASSOCIATION,
a non-profit mutual benefit corporation**

By: _____

Name: _____

Title: _____

Grantee:

**WHITNEY OAKS WETLANDS CONSERVANCY,
a non-profit public benefit corporation**

By: _____

Name: _____

Title: _____

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

STATE OF CALIFORNIA)
)ss.
COUNTY OF PLACER)

On _____ before me, _____,
Notary Public (here insert name and title of the officer), personally appeared _____
_____ personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
)ss.
COUNTY OF PLACER)

On _____ before me, _____,
Notary Public (here insert name and title of the officer), personally appeared _____
_____ personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A

Legal Description of Grantor's Property

That certain real property situated in the State of California, County of Placer, City of Rocklin, described as follows:

Parcels 14, 15 and 16, as shown on the map of "Whitney Oaks Phase 1, Large Lot Subdivision", filed for record on August 20, 1997 in Book U of Maps, at page 5, Placer County Records.

And

Lots J and K, as shown on the plat of "Whitney Oaks Unit 6", filed for record on October 29, 1997 in Book U of Maps, at page 28, Placer County Records.

And

Lots F and G, as shown on the plat of "Whitney Oaks Unit 4", filed for record on October 31, 1997 in Book U of Maps, at page 32, Placer County Records.

And

Parcels 48 and 51, as shown on the map of "Whitney Oaks Phase 2A Large Lot Subdivision", filed for record on October 31, 1997 in Book U of Maps at page 31, Placer County Records.

And

Lot EE, as shown on the plat of "Whitney Oaks Unit 24A", filed for record on December 22, 1997 in Book U of Maps, at page 46, Placer County Records.

And

Lots C, D and O, as said Lots are shown on the plat of "Whitney Oaks Phase 2B, Parcel 33, Unit 12B", filed for record on April 21, 1999 in Book V of Maps, at Page 37, Placer County Records.

And

Lot E, as shown on that certain final map entitled "Whitney Oaks Phase 2B, Parcel 29, Unit 19", filed in Book V of Maps, at page 54, Official Records of Placer County.

And

Lots E and I, as shown on that certain final map entitled "Whitney Oaks Phase 2B, Parcel 29, Unit 19", filed in Book V of Maps, at page 54, Official Records of Placer County.

And

Parcel 57, as shown on the plat of "Whitney Oaks Phase 2C Large Lot Subdivision", filed for record October 26, 2000 in Book W of Maps, at page 78, Placer County Records and by Certificate of Correction recorded March 16, 2001 as instrument no. 2001-0022696.

And

Parcels 84, 86, 92 and 94, as shown on the plat of "Whitney Oaks Phase 3 Large Lot Subdivision", filed for record April 25, 2001 in Book X of Maps, at page 18, Placer County Records.

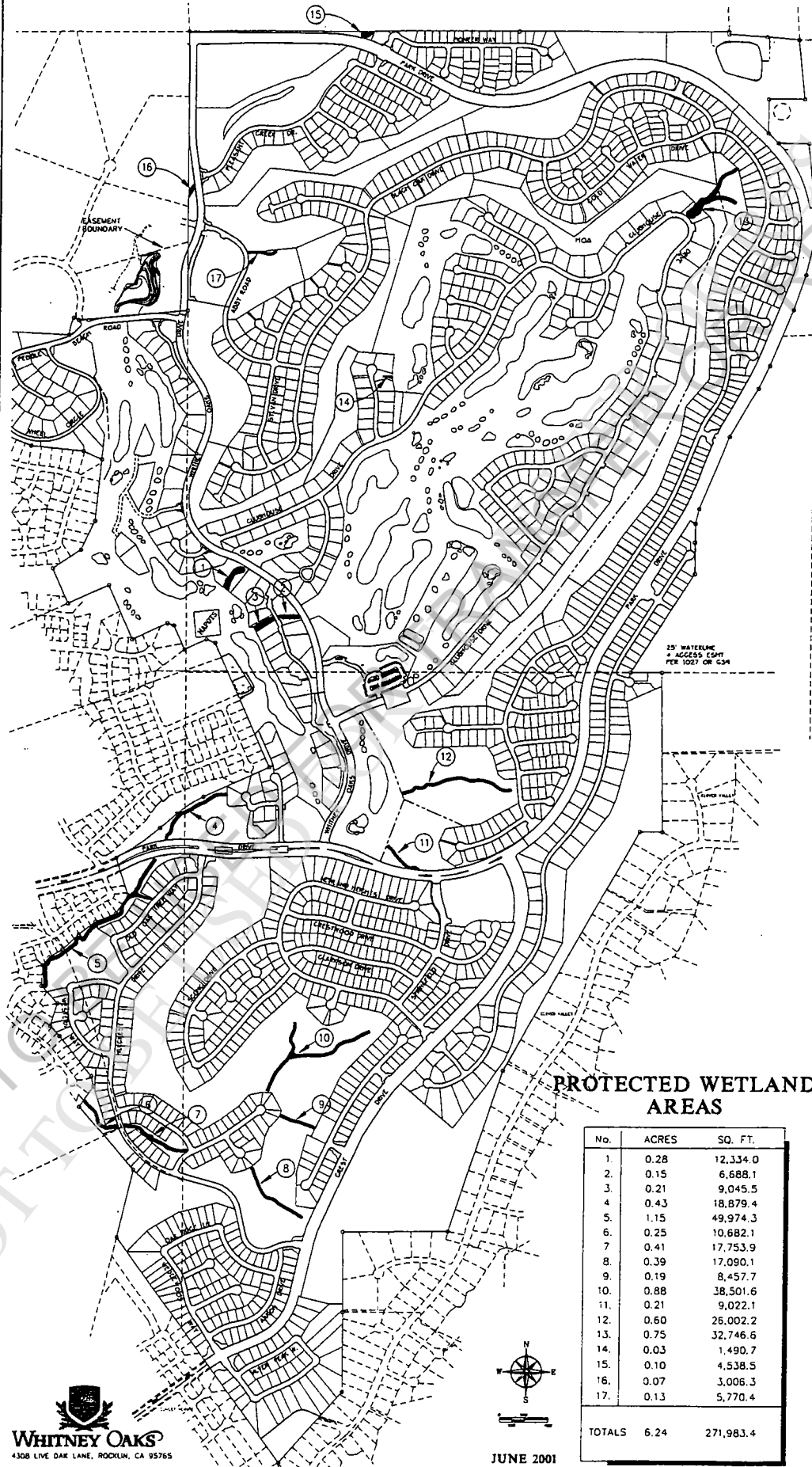
NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

Exhibit B

Map Depicting Location of Protected Wetland Areas

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

WHITNEY OAKS



PROTECTED WETLAND AREAS

No.	ACRES	SQ. FT.
1.	0.28	12,334.0
2.	0.15	6,688.1
3.	0.21	9,045.5
4.	0.43	18,879.4
5.	1.15	49,974.3
6.	0.25	10,682.1
7.	0.41	17,753.9
8.	0.39	17,090.1
9.	0.19	8,457.7
10.	0.88	38,501.6
11.	0.21	9,022.1
12.	0.60	26,002.2
13.	0.75	32,746.6
14.	0.03	1,490.7
15.	0.10	4,538.5
16.	0.07	3,006.3
17.	0.13	5,770.4
TOTALS	6.24	271,983.4

NOT TO SCALE
 PREPARED BY: [unreadable]
 DATE: [unreadable]

Exhibit C

Open Space Management Plan

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

RECORDING REQUESTED BY:)
)
)
)
)
 WHEN RECORDED MAIL TO:)
Whitney Oaks Wetlands Conservancy)
4308 Live Oak Lane)
Rocklin, CA 95765)

**GRANT OF
 PERPETUAL CONSERVATION EASEMENT**

THIS GRANT OF PERPETUAL CONSERVATION EASEMENT (the "EASEMENT") is made this ____ day of _____, by **CAL-STANFORD OAKS, LLC**, a California limited liability company ("**Grantor**"), in favor of the **WHITNEY OAKS WETLANDS CONSERVANCY**, a California non-profit public benefit corporation ("**Grantee**").

RECITALS

A. Grantor is a California limited liability company and is the sole owner in fee simple of certain real property located in the City of Rocklin, County of Placer, State of California, as described in Exhibit "A" hereto (the "**Grantor's Property**"), upon which are situated certain wetland areas as depicted on the map attached hereto as Exhibit "B" (the "**Protected Wetland Areas**"). Exhibit "B" shows the 39.30 ± acres of Protected Wetland Areas within the Grantor's Property which are being made subject to this Easement; and

B. Grantee is a non-profit public benefit corporation formed under the laws of the State of California, and is authorized to hold conservation easements under California Civil Code § 815 et seq.; and

C. The United States Army Corps of Engineers (the "**Corps**") within the United States Department of Defense, is authorized by Federal law to administer the Clean Water Act (33 United States Code Section 1251 et seq.) and other federal laws and regulations; and

D. The Protected Wetland Areas possess significant ecological and wetland values that benefit waters of the United States which are of aesthetic, ecological, and scientific value to the people of California and the people of the United States. These values are of great importance to both Grantor and Grantee; and

E. Significant portions of the Grantor's Property, consisting of approximately Thirty Nine and Thirty One-Hundredths (39.30) acres, have been presently identified by the Corps as containing wetlands and associated buffer areas which Grantor and Grantee desire to conserve and protect pursuant to the Whitney Oaks Open Space Management Plan (the "**Management Plan**") attached to this Easement as Exhibit "C"; and

F. Grantor intends to convey to Grantee the right to conserve and protect the wetland and conservation values of the Protected Wetland Areas in perpetuity; and

G. Grantee agrees by accepting this grant to honor the intentions of Grantee stated herein and to conserve and protect in perpetuity the wetland and conservation values of the Protected Wetland Areas in accordance with the terms of this Easement and the Management Plan; and

H. This Easement provides mitigation for certain impacts located in City of Rocklin, County of Placer, State of California, described in authorizations to fill wetlands at the Whitney Oaks Project (Corps' Regulatory Branch #199700429) issued by the Corps on November 8, 1996; August 28, 1997; September 26, 1997; November 26, 1997; and July 28, 1999 pursuant to Nationwide Permit 26 promulgated under Section 404 of the Clean Water Act. This Easement is intended to fulfill certain of the terms and conditions of the aforementioned authorizations under Nationwide Permit 26.

COVENANTS, TERMS, CONDITIONS, AND RESTRICTIONS

In consideration of the above and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of California and California Civil Code section 815 et

seq., Grantor hereby voluntarily grants and conveys to Grantee a perpetual conservation easement over the Protected Wetland Areas of the nature and character and to the extent hereinafter set forth below:

1. **PURPOSE**

It is the purpose of this Easement to assure that the wetlands in the Protected Wetland Areas will be retained forever in a natural and open space condition and to prevent any use of the Protected Wetland Areas that will impair or interfere with the wetlands at the Protected Wetland Areas. Grantor intends that this Easement (i) will assure that the Protected Wetland Areas will be used for such activities as are consistent with the conservation purposes of this Easement, and (ii) shall be implemented consistently with the Management Plan.

2. **RIGHTS OF GRANTEE**

To accomplish the purpose of this Easement, the following rights are conveyed to Grantee by this Easement:

(a) To conserve and protect the Protected Wetland Areas in a manner consistent with the Management Plan; and

(b) To enter upon and traverse the Grantor's Property at all times in order to have access to the Protected Wetland Areas and to monitor Grantor's compliance with and otherwise enforce the terms of this Easement and to fulfill Grantor's duties as identified in the Management Plan; provided that such entry shall not unreasonably impair or interfere with Grantor's use and quiet enjoyment of the Grantor's Property or unreasonably disturb natural resources on the Protected Wetland Areas; and

(c) To prevent any activity on or use of the Protected Wetland Areas that is inconsistent with the conservation purposes of this Easement and the Management Plan and to require the restoration of such areas or features of the Protected Wetland Areas that may be damaged by any inconsistent activity or use; and

(d) To conserve and protect all mineral, air, water rights, and ground water required to protect and to sustain the wetland resources of the Protected Wetland Areas.

3. PROHIBITED USES

Subject to the provisions of Paragraph 4 herein, any activity on or use of the Protected Wetland Areas inconsistent with the conservation purposes of this Easement is prohibited except as stated in the Management Plan. Without limiting the generality of the foregoing, Grantor, its successors, assigns, agents, and potential future lessees are expressly prohibited from doing any of the following on Protected Wetland Areas:

- (a) Erecting any building, billboard, or sign;
- (b) Using herbicides and rodenticides, and conducting weed abatement activities, incompatible fire protection activities and any and all other uses which may adversely affect the purposes of this Easement, except as may be allowed in the Management Plan;
- (c) Depositing soil, trash, ashes, garbage, waste, bio-solids or any other material on the Protected Wetland Areas;
- (d) Excavating, dredging or removing loam, gravel, soil, rock, sand or other material in the Protected Wetland Areas, except as may be provided for in the Management Plan;
- (e) Otherwise altering the general topography of the Protected Wetland Areas;
- (f) Removing, destroying, or cutting trees, shrubs, or other vegetation, except as allowed in the Management Plan for: (1) maintenance of existing foot trails or roads, (2) prevention or treatment of disease, (3) maintenance of drainage ways and storm water outfalls, and (4) vegetation control, including, but not limited to, invasive species such as yellow star thistle;
- (g) Granting use of the land to any third party for off-road vehicle use;
- (h) Legally subdividing the Protected Wetland Areas for urban uses, recording of a subdivision plan, partition, or any other division of the Protected Wetland Areas;
- (i) Paving or otherwise covering the Protected Wetland Areas with concrete, asphalt, or any other impervious paving material;
- (j) Granting surface entry for the exploration or extraction of minerals without approval by the Corps.

4. GRANTOR'S DUTIES

Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the conservation values of the Protected

Wetland Areas.

5. RESERVED RIGHTS

Grantor reserves to itself, and to its successors, assigns, and agents all rights accruing from its ownership of the Grantor's Property and the Protected Wetland Areas, including the right to engage in or permit or invite others to engage in all uses of the Protected Wetland Areas that are not expressly prohibited herein and are not inconsistent with the wetland conservation purposes of this Easement.

6. REMEDIES

If Grantee determines that there is a violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involved injury to the Protected Wetland Areas resulting from any use or activity inconsistent with the purpose of this Easement, to restore in accordance with the Management Plan the portion of the Protected Wetland Areas so injured. In any instance, measures to cure the violation shall be reviewed and approved by the Corps. If the Grantor fails to cure a violation within sixty (60) days after receipt of notice thereof from Grantee and the receipt of Corps approval, or under circumstances where the violation cannot reasonably be cured within a sixty (60) day period, or fails to continue diligently to cure such violation until finally cured, the Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, ex parte as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement or injury to any wetlands protected by this Easement and to require the restoration of the wetlands on the Protected Wetland Areas to the condition that existed prior to any such injury. If the Grantee, in its good faith and reasonable discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the wetlands at the Protected Wetland Areas, the Grantee may pursue its remedies under this paragraph without prior notice to the Grantor or without waiting for the period provided for the cure to expire. Each party's rights under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Easement, and each party agrees that the other party's remedies at law for any violation of the terms of this Easement are inadequate and that such party shall be entitled to the

injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which such party may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Each party's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Furthermore, the provisions of California Civil Code section 815 et seq., are incorporated herein by this reference and this Easement is made subject to all of the rights and remedies set forth therein. If at any time in the future Grantor or Grantee or any subsequent transferee or assignee uses or threatens to use the Protected Wetland Areas for purposes not in conformance with the provisions of this Easement, or releases or abandons this Easement in whole or in part, notwithstanding California Civil Code § 815 et seq., the California Attorney General or the United States acting through the Corps, shall have standing as interested parties, and as third party beneficiaries in any proceeding affecting this Easement.

(a) Costs of Enforcement. Reasonable costs incurred by any party enforcing the terms of this Easement, including without limitation, costs of suit and attorneys fees, and any costs of restoration necessitated by a violation of the terms of this Easement shall be borne by the breaching party. If a party prevails in any action to enforce the terms of this Easement, such party's costs of suit including, without limitation, attorneys' fees, shall be borne by the other party.

(b) Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Easement shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Easement or of any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

(c) Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, drought, flood, storm, earth movement caused by an earthquake and acts of God.

7. COSTS AND LIABILITIES

Except as set forth in this Easement, or as otherwise agreed in writing between the parties hereto, Grantor retains all responsibilities related to the ownership, operation, upkeep, and maintenance of the Protected Wetland Areas.

(a) Taxes: Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Protected Wetland Areas by competent authority, including any taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request.

(b) Hold Harmless: Grantor or its successors and transferees shall hold harmless, indemnify, and defend Grantee and its directors, officers, employees, agents and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expense, causes of action, claims, demands, or judgments, including without limitation, reasonable attorneys' fees, arising from or in any way connected with: (1) injury to or the death of any person, or physical damages to any property, resulting from any act, omission, condition or other matter occurring on the Protected Wetland Areas, unless caused by the acts or omissions of any of the Indemnified Parties; and (2) the existence or administration of this Easement.

8. ASSIGNMENT

This Easement is transferable, but Grantee shall give Grantor and Corps at least thirty (30) days prior written notice of the transfer. Grantee may assign its rights and obligations under this Easement only to an organization that is 1) approved by the Corps; and, 2) authorized to acquire and hold conservation easements under California Civil Code section 815 et seq. (or any successor provision then applicable). As a condition of such assignment or transfer, the assignee or transferee shall agree in writing that the wetland conservation purposes that this grant is intended to advance shall continue to be fulfilled and that the Management Plan will be enforced. In the event of the termination of Grantee's existence, the rights and obligations of Grantee hereunder shall, by that fact itself, and without any further action on the part of any entity, be deemed assigned to the Corps.

9. SUBSEQUENT TRANSFERS

Grantor agrees to incorporate the terms of this Easement in any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Protected Wetland

Areas, including, without limitation, a leasehold interest. Grantor further agrees to give written notice to Grantee and the Corps at least ten (10) days prior to the date of any property transfer. The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

10. ESTOPPEL CERTIFICATES

Upon request by Grantor, Grantee shall within ten (10) days execute and deliver to Grantor any document, including an estoppel certificate, which certifies Grantor's compliance with any obligation of Grantor contained in this Easement and otherwise evidences the status of this Easement as may be requested by Grantor.

11. NOTICES

Any notice, demand, request, consent, approval, or communication that the parties desire or is required to give to the others shall be in writing and either served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor: Cal-Stanford Oaks, LLC
 904 Genesee Avenue, Suite 230
 La Jolla, California 92037

With a Copy to: Cal Stanford Oaks, LLC
 4308 Live Oak Lane
 Rocklin, California 95765

To Grantee: Whitney Oaks Wetlands Conservancy
 4308 Live Oak Lane
 Rocklin, California 95765

To Corps: Corps of Engineers
 1325 "J" Street, Room 1480
 Sacramento, California 95814-2922

Attn: Chief, Sacramento Valley Office

or to such other address or the attention of such other person which a party from time to time may designate by written notice to the others.

12. RECORDATION

Grantor shall submit an original, signed and notarized Grant of Perpetual Conservation Easement to Grantee and Grantee shall promptly record this Easement in the official records of Placer County, California and may re-record it at any time as may be required to preserve its rights in this Easement.

13. ADDITIONAL EASEMENTS

Grantor shall not grant any additional easements, rights-of-way, or other interests in the Protected Wetland Areas, other than a fee or leasehold interest, undivided interest or security interest (mortgage or deed of trust), or grant or otherwise transfer to any other person or entity or otherwise abandon or relinquish any jurisdictional waters of the United States associated with the Protected Wetland Areas without the prior written authorization of Grantee and Corps. Such authorization will be given unless the Corps, among other things, determines that the proposed interest or transfer will interfere with the wetlands at the Protected Wetland Areas. This paragraph shall not prohibit the transfer of a fee title or leasehold interest in the Protected Wetland Areas that is subject to the terms of this Easement. This paragraph shall also not prohibit the granting of future compatible utility easements, as authorized by the Grantee.

15. GENERAL PROVISIONS

(a) Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of California, the Federal Clean Water Act, and other applicable Federal laws.

(b) Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be construed in favor of the grant to effect the wetlands conservation purposes of this Easement and the policy and purpose of California Civil Code Section 815 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Easement that would render the provision valid shall be favored over any interpretation that

would render it invalid.

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

(d) Entire Agreement; Amendment. This instrument sets forth the entire agreement of the parties with respect to the Easement and all exhibits and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement. This Easement may not be amended, modified or terminated except by a written document executed by Grantor and Grantee which has received the prior written consent of the Corps.

(e) No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

(f) Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, transferees and assigns and shall continue as servitude running in perpetuity with the Protected Wetland Areas.

(g) Captions. The captions in this Easement have been inserted solely for convenience of reference and are not a part of this Easement and shall have no effect upon its construction or interpretation.

(h) Counterparts. The parties may execute this Easement in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

(i) Third-Party Beneficiary. Grantor and Grantee acknowledge that the Corps is a third party beneficiary of this Easement with the right of access to the Protected Wetland Areas and the right to enforce all of the provisions of this Easement.

(j) Annual Reports. Grantee shall provide Corps with annual monitoring reports to assure the grantor's compliance with the requirements of this Easement and the Management Plan.

(k) Not an Offer to Dedicate; No Right to Public Use. The provisions of this

Easement do not constitute an offer for public use, and this Easement does not constitute an irrevocable offer to dedicate the Protected Wetland Areas.

IN WITNESS WHEREOF, Grantor and Grantee have entered into this Easement effective as of the day and year first above written.

Grantor:

CAL-STANFORD OAKS, LLC
a California limited liability company

By: _____

Name: _____

Title: _____

Grantee:

WHITNEY OAKS WETLANDS CONSERVANCY,
a non-profit public benefit corporation

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)
)ss.
COUNTY OF PLACER)

On _____ before me, _____,

Notary Public (here insert name and title of the officer), personally appeared _____
_____ personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
)ss.
COUNTY OF PLACER)

On _____ before me, _____,

Notary Public (here insert name and title of the officer), personally appeared _____
_____ personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A

Legal Description of Grantor's Property

That certain real property situated in the State of California, County of Placer, City of Rocklin, described as follows:

Parcel 42, as shown on the map of "Whitney Oaks Phase 2A large Lot Subdivision", filed for record on October 31, 1997 in Book U of Maps at page 31, Placer County Records.

And

Parcels 43 and 46, as shown on the plat of "Whitney Oaks Phase 2C Large Lot Subdivision", filed for record October 26, 2000 in Book W of Maps, page 78, Placer County Records and by Certificate of Correction recorded March 16, 2001 as instrument no. 2001-0022696.

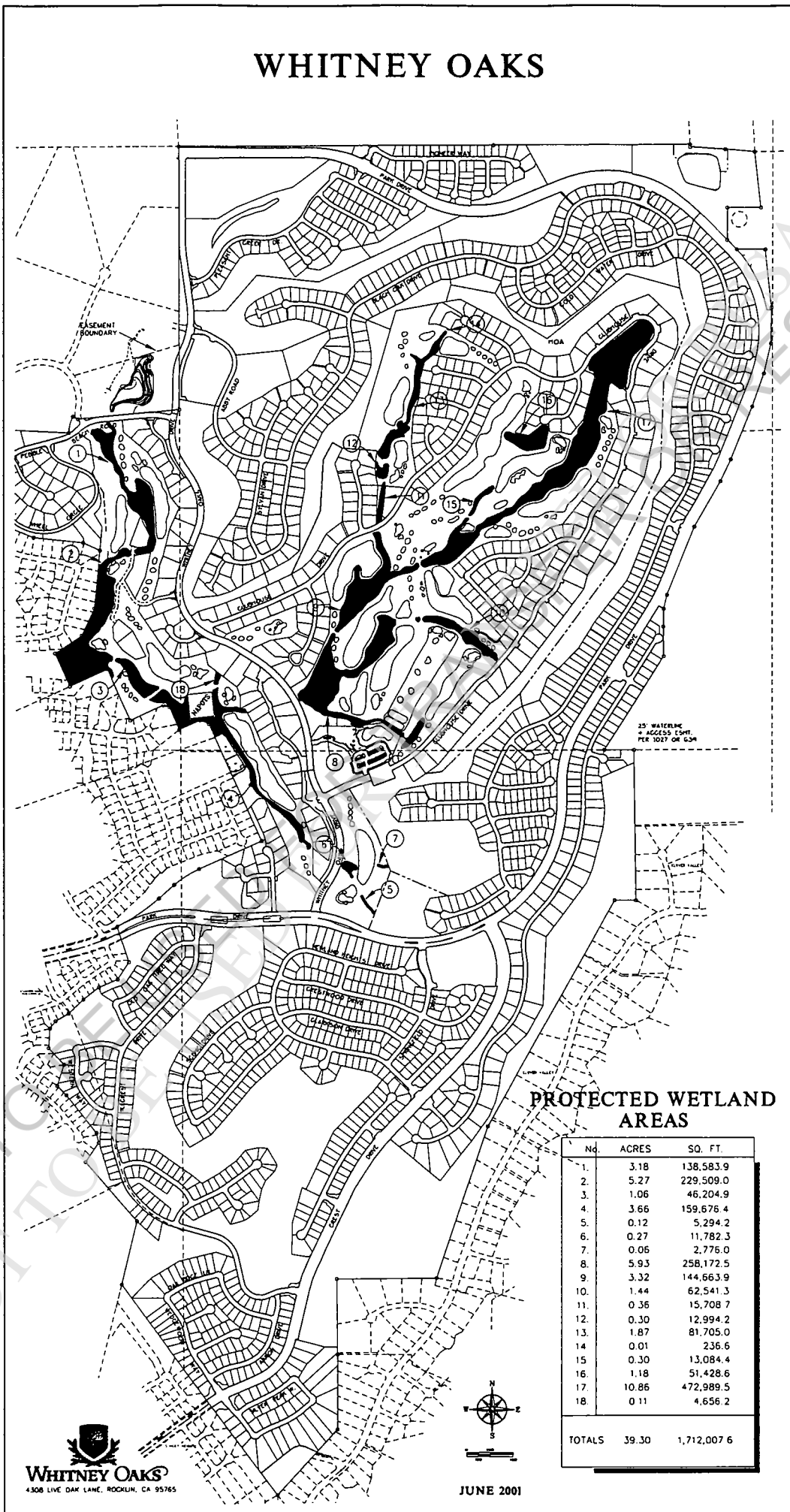
NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

Exhibit B

Map Depicting Location of Protected Wetland Areas

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

WHITNEY OAKS



Copyright © 2001 by [unreadable] All rights reserved.

Exhibit C

Open Space Management Plan

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

RECORDING REQUESTED BY:)
)
)
)
WHEN RECORDED MAIL TO:)
Whitney Oaks Wetlands Conservancy)
4308 Live Oak Lane)
Rocklin, CA 95765)

**GRANT OF
PERPETUAL CONSERVATION EASEMENT**

THIS GRANT OF PERPETUAL CONSERVATION EASEMENT (the "EASEMENT") is made this ____ day of _____, by **CAL-STANFORD OAKS, LLC**, a California limited liability company ("**Grantor**"), in favor of the **WHITNEY OAKS WETLANDS CONSERVANCY**, a California non-profit public benefit corporation ("**Grantee**").

RECITALS

A. Grantor is a California limited liability company and is the sole owner in fee simple of certain real property located in the City of Rocklin, County of Placer, State of California, as described in Exhibit "A" hereto (the "**Grantor's Property**"), upon which are situated certain wetland areas as depicted on the map attached hereto as Exhibit "B" (the "**Protected Wetland Areas**"). Exhibit "B" shows the 12.72 ± acres of Protected Wetland Areas within the Grantor's Property which are being made subject to this Easement; and

B. Grantee is a non-profit public benefit corporation formed under the laws of the State of California, and is authorized to hold conservation easements under California Civil Code § 815 et seq.; and

C. The United States Army Corps of Engineers (the "**Corps**") within the United States Department of Defense, is authorized by Federal law to administer the Clean Water Act (33 United States Code Section 1251 et seq.) and other federal laws and regulations; and

D. The Protected Wetland Areas possess significant ecological and wetland values that benefit waters of the United States which are of aesthetic, ecological, and scientific value to the people of California and the people of the United States. These values are of great importance to both Grantor and Grantee; and

E. Significant portions of the Grantor's Property, consisting of approximately Twelve and Seventy-two One-Hundredths (12.72) acres, have been presently identified by the Corps as containing wetlands and associated buffer areas which Grantor and Grantee desire to conserve and protect pursuant to the Whitney Oaks Open Space Management Plan (the "**Management Plan**") attached to this Easement as Exhibit "C"; and

F. Grantor intends to convey to Grantee the right to conserve and protect the wetland and conservation values of the Protected Wetland Areas in perpetuity; and

G. Grantee agrees by accepting this grant to honor the intentions of Grantee stated herein and to conserve and protect in perpetuity the wetland and conservation values of the Protected Wetland Areas in accordance with the terms of this Easement and the Management Plan; and

H. This Easement provides mitigation for certain impacts located in City of Rocklin, County of Placer, State of California, described in authorizations to fill wetlands at the Whitney Oaks Project (Corps' Regulatory Branch #199700429) issued by the Corps on November 8, 1996; August 28, 1997; September 26, 1997; November 26, 1997; and July 28, 1999 pursuant to Nationwide Permit 26 promulgated under Section 404 of the Clean Water Act. This Easement is intended to fulfill certain of the terms and conditions of the aforementioned authorizations under Nationwide Permit 26.

COVENANTS, TERMS, CONDITIONS, AND RESTRICTIONS

In consideration of the above and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of California and California Civil Code section 815 et

seq., Grantor hereby voluntarily grants and conveys to Grantee a perpetual conservation easement over the Protected Wetland Areas of the nature and character and to the extent hereinafter set forth below:

1. PURPOSE

It is the purpose of this Easement to assure that the wetlands in the Protected Wetland Areas will be retained forever in a natural and open space condition and to prevent any use of the Protected Wetland Areas that will impair or interfere with the wetlands at the Protected Wetland Areas. Grantor intends that this Easement (i) will assure that the Protected Wetland Areas will be used for such activities as are consistent with the conservation purposes of this Easement, and (ii) shall be implemented consistently with the Management Plan.

2. RIGHTS OF GRANTEE

To accomplish the purpose of this Easement, the following rights are conveyed to Grantee by this Easement:

(a) To conserve and protect the Protected Wetland Areas in a manner consistent with the Management Plan; and

(b) To enter upon and traverse the Grantor's Property at all times in order to have access to the Protected Wetland Areas and to monitor Grantor's compliance with and otherwise enforce the terms of this Easement and to fulfill Grantor's duties as identified in the Management Plan; provided that such entry shall not unreasonably impair or interfere with Grantor's use and quiet enjoyment of the Grantor's Property or unreasonably disturb natural resources on the Protected Wetland Areas; and

(c) To prevent any activity on or use of the Protected Wetland Areas that is inconsistent with the conservation purposes of this Easement and the Management Plan and to require the restoration of such areas or features of the Protected Wetland Areas that may be damaged by any inconsistent activity or use; and

(d) To conserve and protect all mineral, air, water rights, and ground water required to protect and to sustain the wetland resources of the Protected Wetland Areas.

3. PROHIBITED USES

Subject to the provisions of Paragraph 4 herein, any activity on or use of the Protected Wetland Areas inconsistent with the conservation purposes of this Easement is prohibited except as stated in the Management Plan. Without limiting the generality of the foregoing, Grantor, its successors, assigns, agents, and potential future lessees are expressly prohibited from doing any of the following on Protected Wetland Areas:

- (a) Erecting any building, billboard, or sign;
- (b) Using herbicides and rodenticides, and conducting weed abatement activities, incompatible fire protection activities and any and all other uses which may adversely affect the purposes of this Easement, except as may be allowed in the Management Plan;
- (c) Depositing soil, trash, ashes, garbage, waste, bio-solids or any other material on the Protected Wetland Areas;
- (d) Excavating, dredging or removing loam, gravel, soil, rock, sand or other material in the Protected Wetland Areas, except as may be provided for in the Management Plan;
- (e) Otherwise altering the general topography of the Protected Wetland Areas;
- (f) Removing, destroying, or cutting trees, shrubs, or other vegetation, except as allowed in the Management Plan for: (1) maintenance of existing foot trails or roads, (2) prevention or treatment of disease, (3) maintenance of drainage ways and storm water outfalls, and (4) vegetation control, including, but not limited to, invasive species such as yellow star thistle;
- (g) Granting use of the land to any third party for off-road vehicle use;
- (h) Legally subdividing the Protected Wetland Areas for urban uses, recording of a subdivision plan, partition, or any other division of the Protected Wetland Areas;
- (i) Paving or otherwise covering the Protected Wetland Areas with concrete, asphalt, or any other impervious paving material;
- (j) Granting surface entry for the exploration or extraction of minerals without approval by the Corps.

4. GRANTOR'S DUTIES

Grantor shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities may degrade or harm the conservation values of the Protected

Wetland Areas.

5. RESERVED RIGHTS

Grantor reserves to itself, and to its successors, assigns, and agents all rights accruing from its ownership of the Grantor's Property and the Protected Wetland Areas, including the right to engage in or permit or invite others to engage in all uses of the Protected Wetland Areas that are not expressly prohibited herein and are not inconsistent with the wetland conservation purposes of this Easement.

6. REMEDIES

If Grantee determines that there is a violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involved injury to the Protected Wetland Areas resulting from any use or activity inconsistent with the purpose of this Easement, to restore in accordance with the Management Plan the portion of the Protected Wetland Areas so injured. In any instance, measures to cure the violation shall be reviewed and approved by the Corps. If the Grantor fails to cure a violation within sixty (60) days after receipt of notice thereof from Grantee and the receipt of Corps approval, or under circumstances where the violation cannot reasonably be cured within a sixty (60) day period, or fails to continue diligently to cure such violation until finally cured, the Grantee may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, ex parte as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement or injury to any wetlands protected by this Easement and to require the restoration of the wetlands on the Protected Wetland Areas to the condition that existed prior to any such injury. If the Grantee, in its good faith and reasonable discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the wetlands at the Protected Wetland Areas, the Grantee may pursue its remedies under this paragraph without prior notice to the Grantor or without waiting for the period provided for the cure to expire. Each party's rights under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Easement, and each party agrees that the other party's remedies at law for any violation of the terms of this Easement are inadequate and that such party shall be entitled to the

injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which such party may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Each party's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Furthermore, the provisions of California Civil Code section 815 et seq., are incorporated herein by this reference and this Easement is made subject to all of the rights and remedies set forth therein. If at any time in the future Grantor or Grantee or any subsequent transferee or assignee uses or threatens to use the Protected Wetland Areas for purposes not in conformance with the provisions of this Easement, or releases or abandons this Easement in whole or in part, notwithstanding California Civil Code § 815 et seq., the California Attorney General or the United States acting through the Corps, shall have standing as interested parties, and as third party beneficiaries in any proceeding affecting this Easement.

(a) Costs of Enforcement. Reasonable costs incurred by any party enforcing the terms of this Easement, including without limitation, costs of suit and attorneys fees, and any costs of restoration necessitated by a violation of the terms of this Easement shall be borne by the breaching party. If a party prevails in any action to enforce the terms of this Easement, such party's costs of suit including, without limitation, attorneys' fees, shall be borne by the other party.

(b) Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Easement shall not be deemed or construed to be a waiver by Grantee of such term or of any subsequent breach of the same or any other term of this Easement or of any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

(c) Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including, without limitation, fire, drought, flood, storm, earth movement caused by an earthquake and acts of God.

7. COSTS AND LIABILITIES

Except as set forth in this Easement, or as otherwise agreed in writing between the parties hereto, Grantor retains all responsibilities related to the ownership, operation, upkeep, and maintenance of the Protected Wetland Areas.

(a) Taxes: Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Protected Wetland Areas by competent authority, including any taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request.

(b) Hold Harmless: Grantor or its successors and transferees shall hold harmless, indemnify, and defend Grantee and its directors, officers, employees, agents and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expense, causes of action, claims, demands, or judgments, including without limitation, reasonable attorneys' fees, arising from or in any way connected with: (1) injury to or the death of any person, or physical damages to any property, resulting from any act, omission, condition or other matter occurring on the Protected Wetland Areas, unless caused by the acts or omissions of any of the Indemnified Parties; and (2) the existence or administration of this Easement.

8. ASSIGNMENT

This Easement is transferable, but Grantee shall give Grantor and Corps at least thirty (30) days prior written notice of the transfer. Grantee may assign its rights and obligations under this Easement only to an organization that is 1) approved by the Corps; and, 2) authorized to acquire and hold conservation easements under California Civil Code section 815 et seq. (or any successor provision then applicable). As a condition of such assignment or transfer, the assignee or transferee shall agree in writing that the wetland conservation purposes that this grant is intended to advance shall continue to be fulfilled and that the Management Plan will be enforced. In the event of the termination of Grantee's existence, the rights and obligations of Grantee hereunder shall, by that fact itself, and without any further action on the part of any entity, be deemed assigned to the Corps.

9. SUBSEQUENT TRANSFERS

Grantor agrees to incorporate the terms of this Easement in any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Protected Wetland

Areas, including, without limitation, a leasehold interest. Grantor further agrees to give written notice to Grantee and the Corps at least ten (10) days prior to the date of any property transfer. The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

10. ESTOPPEL CERTIFICATES

Upon request by Grantor, Grantee shall within ten (10) days execute and deliver to Grantor any document, including an estoppel certificate, which certifies Grantor's compliance with any obligation of Grantor contained in this Easement and otherwise evidences the status of this Easement as may be requested by Grantor.

11. NOTICES

Any notice, demand, request, consent, approval, or communication that the parties desire or is required to give to the others shall be in writing and either served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor: Cal-Stanford Oaks, LLC
 904 Genesee Avenue, Suite 230
 La Jolla, California 92037

With a Copy to: Cal Stanford Oaks, LLC
 4308 Live Oak Lane
 Rocklin, California 95765

To Grantee: . Whitney Oaks Wetlands Conservancy
 4308 Live Oak Lane
 Rocklin, California 95765

To Corps: Corps of Engineers
 1325 "J" Street, Room 1480
 Sacramento, California 95814-2922

Attn: Chief, Sacramento Valley Office

or to such other address or the attention of such other person which a party from time to time may designate by written notice to the others.

12. RECORDATION

Grantor shall submit an original, signed and notarized Grant of Perpetual Conservation Easement to Grantee and Grantee shall promptly record this Easement in the official records of Placer County, California and may re-record it at any time as may be required to preserve its rights in this Easement.

13. ADDITIONAL EASEMENTS

Grantor shall not grant any additional easements, rights-of-way, or other interests in the Protected Wetland Areas, other than a fee or leasehold interest, undivided interest or security interest (mortgage or deed of trust), or grant or otherwise transfer to any other person or entity or otherwise abandon or relinquish any jurisdictional waters of the United States associated with the Protected Wetland Areas without the prior written authorization of Grantee and Corps. Such authorization will be given unless the Corps, among other things, determines that the proposed interest or transfer will interfere with the wetlands at the Protected Wetland Areas. This paragraph shall not prohibit the transfer of a fee title or leasehold interest in the Protected Wetland Areas that is subject to the terms of this Easement. This paragraph shall also not prohibit the granting of future compatible utility easements, as authorized by the Grantee.

15. GENERAL PROVISIONS

(a) Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of California, the Federal Clean Water Act, and other applicable Federal laws.

(b) Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be construed in favor of the grant to effect the wetlands conservation purposes of this Easement and the policy and purpose of California Civil Code Section 815 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Easement that would render the provision valid shall be favored over any interpretation that

would render it invalid.

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

(d) Entire Agreement; Amendment. This instrument sets forth the entire agreement of the parties with respect to the Easement and all exhibits and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement. This Easement may not be amended, modified or terminated except by a written document executed by Grantor and Grantee which has received the prior written consent of the Corps.

(e) No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

(f) Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, transferees and assigns and shall continue as servitude running in perpetuity with the Protected Wetland Areas.

(g) Captions. The captions in this Easement have been inserted solely for convenience of reference and are not a part of this Easement and shall have no effect upon its construction or interpretation.

(h) Counterparts. The parties may execute this Easement in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

(i) Third-Party Beneficiary. Grantor and Grantee acknowledge that the Corps is a third party beneficiary of this Easement with the right of access to the Protected Wetland Areas and the right to enforce all of the provisions of this Easement.

(j) Annual Reports. Grantee shall provide Corps with annual monitoring reports to assure the grantor's compliance with the requirements of this Easement and the Management Plan.

(k) Not an Offer to Dedicate; No Right to Public Use. The provisions of this

Easement do not constitute an offer for public use, and this Easement does not constitute an irrevocable offer to dedicate the Protected Wetland Areas.

IN WITNESS WHEREOF, Grantor and Grantee have entered into this Easement effective as of the day and year first above written.

Grantor:

CAL-STANFORD OAKS, LLC
a California limited liability company

By: _____

Name: _____

Title: _____

Grantee:

WHITNEY OAKS WETLANDS CONSERVANCY,
a non-profit public benefit corporation

By: _____

Name: _____

Title: _____

STATE OF CALIFORNIA)
)ss.
COUNTY OF PLACER)

On _____ before me, _____,

Notary Public (here insert name and title of the officer), personally appeared _____

_____ personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
)ss.
COUNTY OF PLACER)

On _____ before me, _____,

Notary Public (here insert name and title of the officer), personally appeared _____

_____ personally known to me (or 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.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A

Legal Description of Grantor's Property

That certain real property situated in the State of California, County of Placer, City of Rocklin, described as follows:

Parcels 44 and 60 on the plat of "Whitney Oaks Phase 2B Large Lot Subdivision", filed for record on February 24, 1999 in Book V of Maps, page 29, Placer County Records.

And

Parcels 90 and 91, as shown on the plat of "Whitney Oaks Phase 3 Large Lot Subdivision", filed for record April 25, 2001 in Book X of Maps, page 18, Placer County Records.

And

Lot 56 as shown and designated on that map entitled Sunset Rancho Estates Unit No. 1, filed in the office of the County Recorder of Placer County, California, on June 11, 1970 in Book "J" of Maps, at page 1.

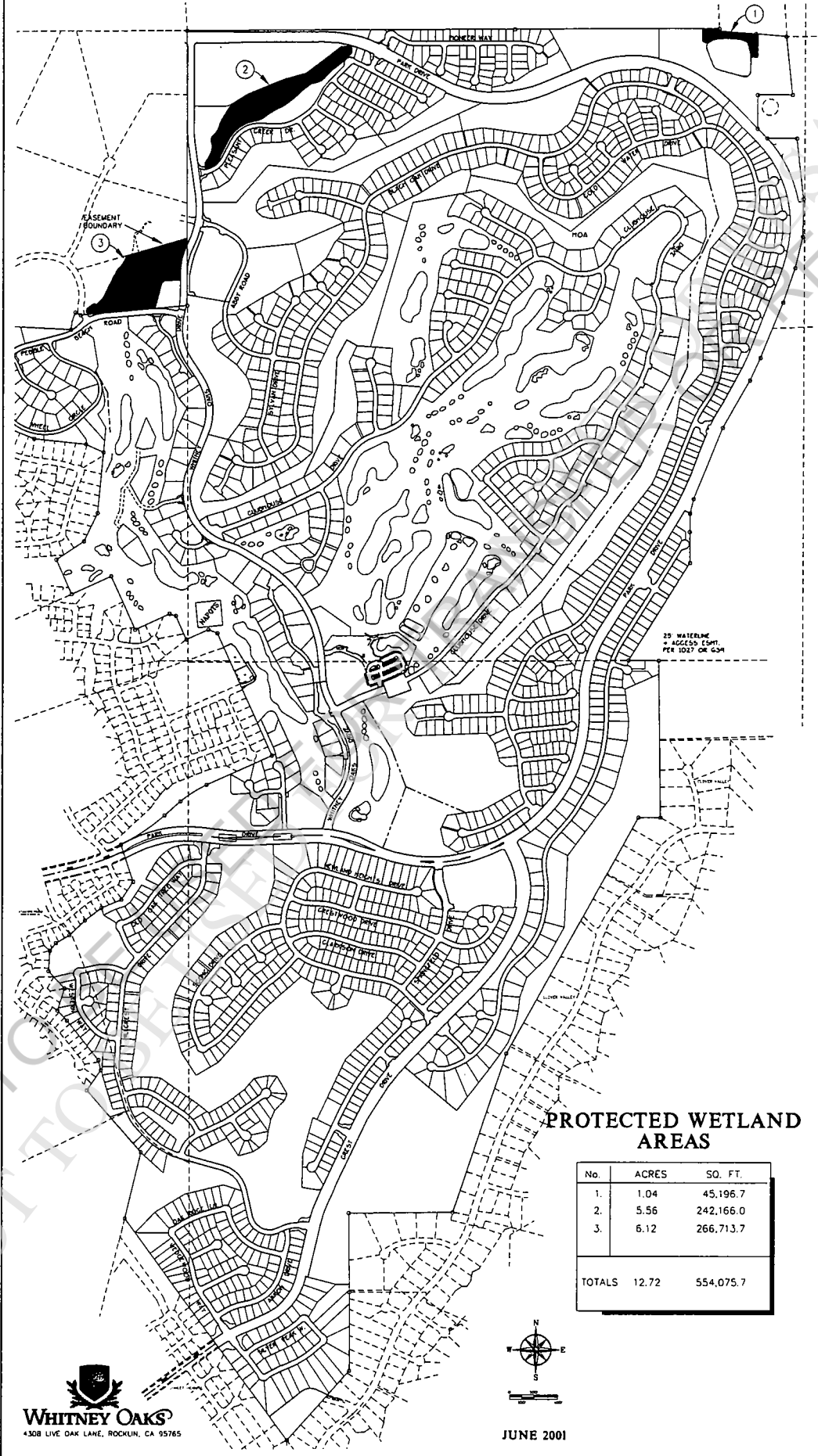
NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

Exhibit B

Map Depicting Location of Protected Wetland Areas

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

WHITNEY OAKS



PROTECTED WETLAND AREAS

No.	ACRES	SQ. FT.
1.	1.04	45,196.7
2.	5.56	242,166.0
3.	6.12	266,713.7
TOTALS	12.72	554,075.7



Exhibit C

Open Space Management Plan

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

APPENDIX D

WHITNEY OAKS WETLANDS CONSERVANCY BYLAWS

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

BYLAWS
OF THE
WHITNEY OAKS
WETLANDS CONSERVANCY

A California Nonprofit
Public Benefit Corporation

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I NAME	1
ARTICLE II OFFICES	1
SECTION 1. <u>PRINCIPAL OFFICE</u>	1
SECTION 2. <u>OTHER OFFICES</u>	1
ARTICLE III PURPOSES	1
ARTICLE IV MEMBERS	2
ARTICLE V BOARD OF DIRECTORS	2
SECTION 1. <u>POWERS</u>	2
SECTION 2. <u>NUMBER AND QUALIFICATIONS OF DIRECTORS</u>	3
SECTION 3. <u>TERM OF OFFICE</u>	3
SECTION 4. <u>DESIGNATION OF DIRECTORS</u>	4
SECTION 5. <u>VACANCIES</u>	4
SECTION 6. <u>MEETINGS OF THE BOARD OF DIRECTORS</u>	5
SECTION 7. <u>ACTION BY WRITTEN CONSENT WITHOUT A MEETING</u>	8
SECTION 8. <u>VOTING</u>	8
SECTION 9. <u>REMOVAL</u>	8
SECTION 10. <u>COMPENSATION</u>	8
SECTION 11. <u>CONFLICT OF INTEREST</u>	9
SECTION 12. <u>INSPECTION BY DIRECTORS</u>	9
ARTICLE VI COMMITTEES	9

SECTION 1. EXECUTIVE COMMITTEE 9

SECTION 2. SPECIAL COMMITTEES 10

SECTION 3. PROSCRIBED COMMITTEE ACTIONS 10

SECTION 4. COMMITTEE MEMBERS 11

SECTION 5. MEETINGS AND ACTIONS OF COMMITTEES 11

SECTION 6. TECHNICAL ADVISORY COUNCIL 11

ARTICLE VII OFFICERS 12

SECTION 1. OFFICERS OF THE CORPORATION 12

SECTION 2. ELECTION 12

SECTION 3. REMOVAL 12

SECTION 4. VACANCIES 12

SECTION 5. RESPONSIBILITIES OF OFFICERS 13

ARTICLE VIII INDEMNIFICATION 13

SECTION 1. RIGHT OF INDEMNITY 13

SECTION 2. APPROVAL OF INDEMNITY 14

SECTION 3. ADVANCEMENT OF EXPENSES 14

SECTION 4. INSURANCE 15

ARTICLE IX AMENDMENT OF BYLAWS 15

ARTICLE X RECORDS AND REPORTS 15

SECTION 1. BOOKS AND RECORDS 15

SECTION 2. ANNUAL REPORT 15

SECTION 3. STATEMENT OF TRANSACTIONS AND INDEMNIFICATIONS 16

**Bylaws
of the
Whitney Oaks Wetlands Conservancy**

Article I

Name

The name of this corporation is the Whitney Oaks Wetlands Conservancy.

Article II

Offices

Section 1. Principal Office.

The principal office for the transaction of the activities and the affairs of the corporation shall be located in the County of Placer, California. The Board of Directors may change the principal office from one location to another. Any change of location of the principal office shall be noted by the Secretary of the corporation on these Bylaws opposite this section or this section may be amended to state the new location.

Section 2. Other Offices.

The corporation may establish such other offices as the Board of Directors deems necessary from time to time on a geographical or functional basis.

Article III

Purposes

This corporation is formed for public, scientific and ecological purposes, specifically including but not limited to, the preservation, protection and enhancement of land in its natural, scenic, historical, agricultural, or open space condition or uses, and any other lawful purpose allowed

for a corporation organized pursuant to the California Nonprofit Public Benefit Corporation Law. In furtherance of its purposes, the corporation may hold title to conservation easements in order to preserve and protect land in its natural, scenic, historical, agricultural or open space condition or uses.

Article IV

Members

This corporation shall have no members.

Article V

Board of Directors

Section 1. Powers.

A. General Corporate Powers. Subject to the provisions and limitations of the Articles of Incorporation, other sections of these Bylaws, the California Nonprofit Public Benefit Corporation Law, and any other applicable laws, all corporate powers of the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by, the Board of Directors.

B. Specific Powers. Without prejudice to the general powers set forth in Section 1 of Article V of these Bylaws, but subject to the same limitations, the Directors shall have the authority to:

- (1) Select and remove, at the pleasure of the Board of Directors, all directors, officers, agents, and employees of the corporation; prescribe such powers and duties for them as may be consistent with the law, the Articles of Incorporation, and these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

- (2) Conduct, manage, and control the affairs and business of the corporation, and to make rules and regulations consistent with the law, the Articles of Incorporation, and these Bylaws.
- (3) Borrow money and incur indebtedness on behalf of the corporation, and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, or evidence of debt and securities.
- (4) Change the principal office of the corporation from one location to another.

Section 2. Number and Qualifications of Directors.

A. **Number.** The authorized number of directors shall be no less than Three (3) and no more than Five (5), as fixed by the Board of Directors from time to time. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

B. **Qualifications.** The Directors in every case shall be individuals who are willing to participate in the management of the Whitney Oaks Wetlands Conservancy. To avoid conflicts of interest, no Director shall be a current employee of the United States Army Corps of Engineers at the time of serving as a Director. At least one (1) member of the Board of Directors shall be a biologist who is not affiliated in any way with the wetland consultants who have represented Cal-Stanford Oaks LLC or the Whitney Oaks Community Association.

Section 3. Term of Office.

A. **Initial Board of Directors.** The initial three (3) members of the Board of Directors shall be designated by the incorporator of this corporation, and shall be known as the "Initial Directors." The Initial Directors shall have staggered terms as follows: one (1) director who serves

an initial one (1) year term, one (1) director who serves a two (2) year term, and one (1) director who serves a three (3) year term. The term of office of each of the Initial Directors shall be chosen by lot at the initial meeting of the Board.

B. Subsequent Boards of Directors. Following the expiration of the term of any director, the then remaining members of the Board of Directors shall designate a replacement director. Each such director shall hold office for six (6) years. There shall be no limit on the numbers of terms which a director may serve.

C. Director as Interested Person. Not more than forty-nine percent (49%) of the persons serving on the Board at any time may be interested persons, as defined in Section 5227 of the Corporations Code of the State of California.

Section 4. Designation of Directors.

The Board of Directors shall designate persons to serve as directors by majority vote at the annual meeting of the Board, to hold office for a term of six (6) years; however, if any such directors are not designated at any annual meeting, they may be designated at any special meeting held for that purpose. Each director, including a director designated to fill a vacancy or designated at a special meeting, shall hold office until expiration of the term for which elected and until a successor has been designated. At least one (1) member of the Board of Directors shall be a biologist who is not affiliated in any way with the wetland consultants who have represented Cal-Stanford Oaks LLC or the Whitney Oaks Community Association

Section 5. Vacancies.

Vacancies on the Board of Directors because of death, resignation, removal, disqualification or otherwise shall be filled by majority vote of the Directors then in office, in accordance with the criteria set forth in these Bylaws. A successor Director so designated shall serve for the remainder of the term for which designated.

Section 6. Meetings of the Board of Directors.

A. Place of Meetings. Regular meetings of the Board of Directors shall be held at the principal office of the corporation, or at any other place that has been designated from time to time in writing by resolution of the Board of Directors or by written consent of all members of the Board of Directors. In the absence of any such designation, regular meetings shall be held at the principal office of the corporation. Special meetings of the Board of Directors may be held at the principal office of the corporation or at any other designated place.

B. Meeting by Conference Telephone, Electronic Video Screen Communication, or Other Communications Equipment. Any Board of Directors' meeting may be held by conference telephone, video communications equipment or similar communications equipment, as long as all directors participating in the meeting can communicate with all of the other directors concurrently at such a meeting and each director is provided with the means of participating in all matters before the Board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

C. Annual Meeting. The annual meeting of the Board of Directors shall be for the purposes of orientation and organization of the Board and the transaction of other business. The time and date of the Annual Meeting shall be the second Tuesday of January in each year at 2:00 P.M., unless the Board of Directors fixes by resolution another date or time for the annual meeting. If the scheduled date falls on a legal holiday, the annual meeting shall be held the next full business day. At the annual meeting, directors shall be designated, as needed, and any other proper business may be transacted.

D. Other Regular Meetings. Other regular meetings of the Board of Directors may be held with notice at such time and place as the Board of Directors may fix.

E. Special Meetings.

(a) Authority to call.

(i) Special meetings of the Board of Directors for any purpose may be called at any time by the Chairperson of the Board, the President of the corporation or by two (2) directors of the corporation.

(b) Notice.

(i) Manner of Giving Notice. Notice of the time and place of special meetings shall be given to each director by one of the following methods:

(a) By personal delivery of written notice;

(b) By first class mail, postage prepaid;

(c) By telephone, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director; or,

(d) By telegram, charges prepaid.

(e) By facsimile transmission of written notice.

All such notices shall be given or sent to the director's address, telephone or facsimile number as shown on the records of the corporation.

(ii) Time Requirements. Notices sent by first class mail shall be deposited in the United States mail at least four (4) days before the date set for the meeting. Notices given by personal delivery, overnight courier service, facsimile telephone transmission, or telegraph shall be

delivered, telephoned, sent by facsimile or given to the telegraph company for transmission at least forty-eight (48) hours before the time set for the meeting.

(iii) Notice Contents. The notice shall state the time of the meeting and the place, if the place is other than the principal office of the corporation, and shall specify the purpose of the meeting.

F. Quorum. The presence of a majority of all the members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

G. Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of a meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him/her.

H. Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another place and time.

I. Notice of Adjourned Meeting. Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty-four (24) hours. If the original meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the directors who were not present at the time of the adjournment.

Section 7. Action By Written Consent Without A Meeting.

Any action that the Board of Directors or any Committee is required or permitted to take may be taken without a meeting, if all members of the Board or Committee consent in writing to that action. Such action by written consent shall have the same force and effect as any other validly approved action of the Board or Committee. All such consents shall be filed with the minutes of the proceedings of the Board or Committee.

Section 8. Voting.

Each member of the Board shall be entitled to vote on any question properly placed before any meeting of the Board of Directors. At all meetings of the Board and subject to the quorum requirements of these Bylaws, all questions shall be decided by the vote of the majority of the members of the Board entitled to vote thereon who shall be present at the meeting.

Section 9. Removal.

A director may be removed from office by the majority vote of the other directors then serving on the Board of Directors. Any director who misses three (3) consecutive regular meetings of the Board may be removed at the discretion of the Board upon a majority vote of the directors.

Section 10. Compensation.

The directors may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be determined by Board resolution to be just and reasonable as to the corporation at the time the resolution is adopted.

Section 11. Conflict of Interest.

No director shall profit financially by reason of his/her membership on the Board of Directors. Directors must, therefore, refrain from all actions that impair, or provide a reasonable perception of impairing, their independence or judgment and report all conflicts or potential conflicts of interest.

If a conflict should arise during a fiscal year, the director involved must disclose the conflict to the President of the corporation and to the Chairperson of the Board. The non-interested members of the Board of Directors shall make decisions in all matters of conflict of interest.

Any director who is also full time or part-time employee of the corporation shall not participate in deliberations or vote on any matters regarding his/her salary or compensation, or directly or indirectly allow a director/employee to profit financially by reason of his/her Board membership.

Section 12. Inspection by Directors.

Every director shall have the absolute right at any reasonable time to inspect the corporation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries, if any. The inspection may be made in person or by the director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

Article VI

Committees

Section 1. Executive Committee.

There may be an Executive Committee of the Board comprised of three (3) directors appointed by a majority of the directors then in office, which shall have all the authority of the Board except with respect to those matters specified in Section 3 of this Article VI of these Bylaws. The Executive Committee of the Board shall consist of the Chairperson of the Board and two (2) other Directors. The Chairperson of the Board shall serve as Chairperson of the Executive Committee and

in his/her absence a Vice Chairperson shall be appointed to serve. Committee Chairs of other special committees created by the Board, if any, will report to the Executive Committee on a regular basis. Committee Chairs are nominated by the Chairperson and appointed by the Board.

Section 2. Special Committees.

The Board, by resolution adopted by a majority of the directors then in office, provided a quorum is present, may create one or more special committees, each consisting of two (2) or more directors to serve at the pleasure of the Board. Any such special committee shall have such authority of the Board as provided in the Board resolution, except that no committee, regardless of Board resolution, may take any action proscribed by Section 3 of this Article VI of these Bylaws.

Section 3. Proscribed Committee Actions.

Regardless of any Board resolution, no committee of the Board, including the Executive Committee, shall have the authority to do any of the following:

- (a) Fill vacancies on the Board or on any committee that has the authority of the Board;
- (b) Fix compensation of the directors for serving on the Board or on any committee;
- (c) Amend or repeal Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board that by its express terms is not capable of amendment or repeal;
- (e) Create any other committees of the Board or appoint the members of a committee of the Board; or

Article VII

Officers

Section 1. Officers of the Corporation.

The officers of this corporation shall be a Chairperson of the Board, a President, a Secretary-Treasurer, and such other officers as the Board of Directors may appoint. Any number of offices may be held by the same person, except that the Secretary-Treasurer may not serve concurrently as the President.

Section 2. Election.

The Board of Directors shall elect officers of the corporation at the annual meeting. Officers shall serve at the pleasure of the Board, subject to the rights, if any, of any officer engaged under any contract of employment. The Board may appoint and may authorize the Chairperson of the Board, the President, or other officer, to appoint any other officers that the corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in these bylaws or as determined by the Board.

Section 3. Removal.

Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the Board, and, if the officer was not chosen by the Board, by any officer on whom the Board may confer the power of removal.

Section 4. Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled in the manner prescribed in these bylaws for regular appointments to that office.

Section 5. Responsibilities of Officers.

A. Chairperson of the Board. The Chairperson of the Board shall, if present, preside at meetings of the Board of Directors and the Executive Committee, and exercise and perform such other powers and duties as may be from time to time be assigned to him or her by the Board of Directors or prescribed by the Bylaws.

B. President. The President shall have the general powers and duties of management usually vested in the office of President of a corporation and shall have such other powers and duties as may be prescribed by the Board or the Bylaws. The President shall report to the Chairperson of the Board of Directors.

C. Secretary-Treasurer. The Secretary-Treasurer shall keep a full and complete record of all meetings and actions of the Board and committees of the Board, and shall keep the seal of the corporation (if any) and affix the same to such papers and instruments as may be required in the regular course of business, shall make service of such notice as may be necessary or proper, and shall supervise the keeping of the corporate records of the corporation. The Secretary-Treasurer shall also receive and safely keep all funds of the corporation and deposit the same in such financial institution(s) as may be designated by the Board. Such funds shall be paid out only on the check of the corporation signed by such person or persons as may be designated by the Board as authorized to sign the same. The Secretary-Treasurer shall have such other powers and perform other duties as may be prescribed from time to time by the Board.

Article VIII

Indemnification

Section 1. Right of Indemnity.

To the fullest extent permitted by law, the corporation shall indemnify its directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other

amounts actually and reasonably incurred by them in connection with any "proceeding", as that term is used in Section 5238, including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in Section 5238(a). The term "expenses", as used in this Bylaw, shall have the same meaning as in Corporations Code Section 5238(a).

Section 2. Approval Of Indemnity.

On written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board shall promptly determine under Corporations Code Section 5328(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, then the corporation, or the agent, or the attorney or other person rendering services in connection with the defense of such person shall make application to the court in which such proceeding is pending for a determination that indemnification of such person is proper in the circumstances because the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met.

Section 3. Advancement Of Expenses.

To the fullest extent permitted by law, and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

Section 4. Insurance.

The corporation shall have the right to purchase and maintain insurance to the fullest extent permitted by law on behalf of its officers, directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's, or agent's status as such.

Article IX

Amendment Of Bylaws

These Bylaws may be amended or repealed and new Bylaws adopted by the vote of the majority of the members of the Board of Directors at any Board meeting; except that a Bylaw fixing or changing the number of Directors may be adopted, amended or repealed only by the vote or written consent of the majority of the Directors of the corporation then in office.

Article X

Records And Reports

Section 1. Books And Records.

The corporation shall keep adequate and correct books and records of account and written minutes of the proceedings of its Board of Directors and its committees. At its principal place of business, the corporation shall keep the original or a copy of its articles of incorporation and bylaws, as amended to date. The United States Army Corps of Engineers shall have the opportunity to view these documents after reasonable notice is provided to the corporation.

Section 2. Annual Report.

The Board of Directors shall cause the corporation to prepare an annual report within 120 days after the end of the corporation's fiscal year. In addition to any other matters which the Board

of Directors may require to be included in the Annual Report, such report shall contain the following information, in appropriate detail, for the fiscal year:

- a) The assets and liabilities of the corporation as of the end of the fiscal year;
- b) The principal changes in assets and liabilities;
- c) The revenue or receipts of the corporation, both restricted and unrestricted;
- d) The amount of any charitable donations to the corporation;
- e) The expenses and disbursements of the corporation for both general and restricted purposes;

The annual report shall be accompanied by a report on it prepared by independent accountants or, if there is no such accountants' report, by the certificate of the President and Secretary of the corporation that the annual report was prepared without audit from the corporation's books and records. A copy of the annual report may be provided to the United States Army Corps of Engineers upon request.

This requirement of an annual report shall not apply if the corporation receives less than \$25,000 in gross receipts during the fiscal year, provided, however, that the information specified above for inclusion in an annual report must be furnished annually to all directors.

Section 3. Statement of Transactions and Indemnification

As part of the annual report described above, the corporation shall annually prepare a statement of any transaction or indemnification of the following kind within 120 days after the end of the corporation's fiscal year:

a) Any transaction (i) in which the corporation, or its subsidiary, if any, was a party, (ii) in which an "interested person" (as defined by California Corporations Code Section 5227) had a direct or indirect material financial interest, and (iii) which involved more than \$25,000, or was one of a series of transactions with the same interested person involving, in the aggregate, more than \$25,000, during the fiscal year.

b) Any indemnifications or advances aggregating more than \$10,000 paid during the fiscal year to any officer or director of the corporation under these Bylaws.

Certificate Of Secretary-Treasurer

I certify that I am the duly elected and acting Secretary-Treasurer of the Whitney Oaks Wetlands Conservancy, a California nonprofit public benefit corporation, and that the foregoing Bylaws, consisting of 17 pages, are the Bylaws of this corporation as adopted by the Board of Directors on _____, and that they have not been amended or modified since that date.

Executed on _____, at _____, California.

Secretary-Treasurer

APPENDIX E

WHITNEY OAKS WETLANDS CONSERVANCY ARTICLES OF INCORPORATION

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

**Articles of Incorporation
for the
Whitney Oaks Wetlands Conservancy**

I

The name of this corporation is the: **Whitney Oaks Wetlands Conservancy.**

II

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public purposes.

III

The specific purposes of this corporation are scientific and ecological, specifically including the preservation, protection and enhancement of land in natural, scenic, historical, agricultural, or open-space condition or uses. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from Federal Income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), or by a corporation contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

IV

The name and address in California of the corporation's initial agent for the service of process are: **Peter M. Bridges, 4308 Live Oak Lane, Rocklin, California 95765.**

V

This corporation is organized and operated exclusively for scientific and ecological purposes within the meaning of IRC Section 501(c)(3).

VI

No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, and this corporation shall not participate in or intervene in any political campaign (including the publication or distribution of statements) on behalf of any candidate for public office.

VII

The property of this corporation is irrevocably dedicated to the public, scientific and ecological purposes set forth in Articles II, III and V above. No part of the net income or assets of this corporation shall ever inure to the benefit of any of its directors, trustees, or officers, or to the benefit of any private person.

VIII

Upon the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations, and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such nonprofit organization (or organizations) which have been formed and operated exclusively for public, scientific and ecological purposes consistent with those of this corporation, and which has established its tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue law).

Dated: _____

Peter M. Bridges
Incorporator

DECLARATION BY INCORPORATOR

I am the person whose name is subscribed below. I am the sole incorporator of the Whitney Oaks Wetlands Conservancy and I have executed these Articles of Incorporation. The foregoing Articles of Incorporation is my act and deed.

Executed on _____, 2001, at _____, California.

I declare that the foregoing is true and correct.

Peter M. Bridges
Incorporator

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

APPENDIX F

SUPPLEMENTAL DECLARATION FOR NATURAL OPEN SPACE MANAGEMENT

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

**SUPPLEMENTAL DECLARATION FOR
NATURAL OPEN SPACE MANAGEMENT
WITHIN WHITNEY OAKS**

This Supplemental Declaration for Natural Open Space Management Within Whitney Oaks ("Supplemental Declaration") is made by Cal-Stanford Oaks, LLC, a California limited liability company ("Declarant"), in reference to the following facts:

RECITALS

A. Declarant is the entity defined as such in Section 1.16 of that certain Master Declaration of Covenants, Conditions and Restrictions for Whitney Oaks, which was Recorded on August 20, 1997, as Document No. 970049461, and that certain First Amendment to Master Declaration of Covenants, Conditions and Restrictions for Whitney Oaks, recorded October 7, 1997, as Document No. 970062255, in the Official Records of Placer County, California, ("Master Declaration"). The Master Declaration provides for the establishment of the Whitney Oaks Community Association, a California nonprofit mutual benefit corporation ("Master Association"). The Master Declaration covers, and is binding upon the Master Association, Sub-Associations and all Owners of Lots and Parcels which are more particularly described in the Master Declaration as the Property.

B. The Master Association owns or has an interest in certain real property located in the City of Rocklin, Placer County, more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Common Area"). Pursuant to Section 1.34 of the Master Declaration, certain portions of the Common Areas may be designated as "Natural Open Space" or "Open Space" and be subject to additional restrictions regarding the use and maintenance of such Common Area properties. In addition, the Golf Course, which is currently owned by Declarant, also contains wetlands and open space areas, but such areas are not subject to the Master Declaration.

C. As part of the governmental approval process for the development of Whitney Oaks, Declarant obtained a permit from the United States Army Corps of Engineers ("Corps"). The Corps permit, commonly known as "Department of Army Nationwide Permit No. 26" ("NWP 26") requires the Declarant to provide for the ongoing management of certain wetlands and open spaces contained within the Natural Open Space Common Areas, as well as certain wetlands and open spaces contained within the Golf Course.

D. In order to facilitate the transfer of the NWP 26 from the Declarant to the Master Association for those portions of the wetlands and open space owned or maintained by the Master Association, the Corps, Declarant, and the Master Association have agreed to implement an Open Space Management Plan ("OSMP") and Record a Supplemental Declaration establishing the parties rights and obligations regarding the implementation of the OSMP and adherence to the terms of the NWP 26. As part of the implementation of the OSMP, Declarant, and the Master Association, shall record Conservation Easements, as defined in California Government Code Sections 51070 et seq. over the Natural Open Space Common Area for the benefit of the Whitney Oaks Wetlands Conservancy, a California non-profit public benefit corporation ("Conservancy"). The Conservancy shall enforce the terms of the Conservation Easements, including preparing annual monitoring reports to the Corps in accordance with the NWP 26 and OSMP and performing necessary maintenance to the Natural Open Space Common Area encumbered by the Conservation Easements. As permitted by Section 3.05(b) of the Master Declaration, the Master Association may enter into an agreement with the Conservancy to fund the maintenance and monitoring of the Natural Open Space Common Area encumbered by the Conservation Easements.

E. Section 13.06 of the Master Declaration provides for the Recording of Supplemental Declarations, which may modify or provide for additional restrictions, rights, and obligations with respect to the real property described in the Supplemental Declaration. In addition, Section 7.01(b) of the Master Declaration provides for the Recording of Supplemental Declarations, which may modify or provide for additional restrictions which affect Natural Open Space Common Areas.

F. Declarant, the Master Association, and the Corps desire to supplement the Master Declaration to provide for the future maintenance obligations of the those portions of the Natural Open Space encumbered with Conservation Easements, as more particularly described in this Supplemental Declaration.

NOW, THEREFORE, Declarant, with the consent of the Master Association, declares as follows:

1. Obligations of Master Association. In addition to the obligations established in the Master Declaration, the Master Association shall have the following additional obligations related to the Natural Open Space Common Area encumbered by the Conservation Easements:

A. Maintenance of the Property. Except as provided in this Supplemental Declaration, the Master Association shall be responsible for all maintenance and repairs to the Natural Open Space Common Area encumbered by the Conservation Easements, which shall be performed in accordance with the NWP 26, OSMP, Conservation

{6896/5268/BRI/569333.DOC;2}

Easements, and the Master Declaration. In the event of any conflict between the preceding documents, the documents shall take precedence in the following order: (1) NWP 26, (2) OSMP, (3) this Supplemental Declaration, (4) the Conservation Easements, and (5) the Master Declaration.

B. Conservancy Monitoring Funding. The Conservancy shall perform annual monitoring of the Natural Open Space Common Area encumbered by the Conservation Easements to assure the Master Association complies with all of the requirements of the OSMP and NWP 26, and shall provide an annual report concerning the Master Association's compliance with the OSMP and NWP 26 to the Corps. The Master Association and the Owner of the Golf Course shall each provide the Conservancy with one-half (1/2) of the annual funding necessary to pay for the Conservancy's annual monitoring and reporting.

C. Wetlands Trust Fund. In addition to the requirements of Section 4.09(a)(ii) of the Master Declaration, the Master Association shall establish a Reserve Fund entitled "Wetlands Trust Fund". The Wetlands Trust Fund shall not be commingled with any other Master Association account, and shall be separately designated for bookkeeping and accounting purposes. Monies deposited in the Wetlands Trust Fund shall be used solely for unanticipated repairs and maintenance to the Natural Open Space Common Area encumbered by the Conservation Easements. Prior to withdrawing monies for such expenses, the Master Association's Board of Directors shall make a written finding explaining the reason the expenditure is necessary. The Master Association shall maintain a balance of \$30,000 in the Wetlands Trust Fund, and, except as permitted in the following sentence, in the event monies are withdrawn from the Wetlands Trust Fund, the Master Association shall deposit replacement funds into the Wetlands Trust Fund within ninety (90) days following such withdrawal of monies. The Master Association may transfer interest and other earnings from the Wetlands Trust Fund into the Master Association's Operating Fund in order to reduce any income tax liability or to pay any income taxes payable by the Master Association attributable to such interest and earnings.

2. Right of Enforcement. The Corps and Conservancy shall have the right, but not the obligation, to enforce the terms of this Supplemental Declaration in any court of competent jurisdiction. The Corps and Conservancy's enforcement rights pursuant to this Section 2 shall be non-exclusive, and in addition to any other legal remedies available to the parties. The failure of the Corps or the Conservancy to enforce any provision in this Supplemental Declaration shall not constitute a waiver of the right of the Corps or the Conservancy to enforce that provision in a subsequent action. Unless the Corps or the Conservancy is also an Owner of a Lot, the Corps and the Conservancy shall not be required to comply with the provisions of California Civil Code Section 1354 relating to alternative dispute resolution, prior to the filing of any court action seeking declaratory or

{6896/5268/BRI/569333.DOC;2}

injunctive relief to interpret or enforce this Supplemental Declaration. If any legal proceeding is initiated to enforce any of the provisions hereof, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs of such proceeding.

3. Amendment Requirements. Notwithstanding any provision of the Master Declaration to the contrary, this Supplemental Declaration and any provision of the Master Declaration referencing the rights and obligations of the Master Association to fund the Conservancy, comply with the NWP 26 and OSMP, and maintain the Natural Open Space Common Area encumbered by the Conservation Easements, may not be amended without the prior written consent of the Corps and the Conservancy.

4. Supplemental Declaration. This document shall constitute a Supplemental Declaration with respect to the Natural Open Space Common Area encumbered by the Conservation Easements, and is being recorded pursuant to the authority conferred upon the Declarant by Article XIII, Section 13.06 of the Master Declaration.

5. Incorporation by Reference. The provisions of the Master Declaration are incorporated herein by this reference and are expressly declared to be applicable to the Natural Open Space Common Area encumbered by the Conservation Easements. Except as otherwise provided herein, all capitalized terms used in this Supplemental Declaration shall have the same meaning as set forth in the Master Declaration.

6. Effective Date. This Supplemental Declaration is effective as of the date of its Recordation in the Official Records of Placer County, California.

IN WITNESS WHEREOF, the undersigned, Declarant, has executed this Supplemental Declaration on _____, 2001.

"Declarant"

CAL STANFORD OAKS, LLC, a
California limited liability company

By: _____
Its: _____

By: _____
Its: _____

{Notary Acknowledgment Attached}

Exhibit "A"

All of that certain real property located in the City of Rocklin, County of Placer, more particularly described as follows:

NOT TO BE USED FOR TRANSFER OR RESALE
NOT TO BE USED FOR TRANSFER OR RESALE

**RECORDING REQUESTED BY, AND
WHEN RECORDED, MAIL TO:**

**WEINTRAUB GENSHLEA
CHEDIAK SPROUL**
Law Corporation
Attn: Bruce R. Inman, Esq.
400 Capitol Mall, Suite 1100
Sacramento, California 95814

(Space Above For Recorder's Use)

SUPPLEMENTAL DECLARATION

FOR

NATURAL OPEN SPACE MANAGEMENT WITHIN

WHITNEY OAKS