

Exhibit A

River Use Permit #27 Letter of Intent



**AGREEMENT FOR SALE AND PURCHASE OF ASSETS
AND TRANSFER OF RIVER USE PERMIT**

This Agreement for Sale and Purchase of Assets and Transfer of River Use Permit (the "Agreement") is executed on January 31, 2011 by and between Bobby Hicks, individually and doing business as American River Adventures ("Seller") and Associated Students of California State University, Chico, a California non-profit, public benefit corporation by and through its Adventure Outings program ("Buyer"), and is based upon the following facts.

A. Seller owns and operates a recreation outfitting company which conducts river rafting trips on, among other rivers, the American River. Seller now wishes to sell and transfer to Buyer that portion of Seller's business that conducts river rafting trips on the American River, as more particularly described below (the "Assets").

B. Seller possesses a River Use Permit #27 issued by the County of El Dorado (the "Permit") which allocates to Seller outfitter user days of 25 weekdays, 35 weekends, and 3 weekend guests. Concomitant to Seller's sale of the Assets to Buyer, Seller wishes to transfer the Permit to Buyer.

C. Buyer conducts recreation programs for students at California State University, Chico. It now wishes to purchase the Assets and accept transfer of the Permit to it pursuant to the terms and conditions set forth below.

In consideration of the above facts which by this recital are included in the agreement of the parties set forth below, and of the mutual conditions, covenants and promises set forth below, the parties agree as follows:

1. **Sale of Assets.** Seller hereby sells and transfers to Buyer and Buyer hereby purchases from Seller the Assets. The Assets include all of that part of Seller's business used in Seller's conduct of rafting trips on the South Fork on the American River, excluding equipment, but including all customer lists and records and all goodwill and going concern value.

2. **Purchase Price.** The purchase price for the Assets shall be \$20,000.00, payable in cash by Buyer to Seller upon satisfaction of the condition described in Section 3. below and Seller's delivery to Buyer of the bill of sale described in Section 6. below. The purchase price shall be allocated wholly to client lists and records and goodwill and going concern value. None of the purchase price is consideration for or in payment of Seller's transfer of the Permit to Buyer.

3. **Condition Precedent.** The sale and purchase of the Assets is expressly conditioned upon approval by the County of El Dorado of an application for the transfer of the Permit from Seller to Buyer. Seller, immediately upon execution hereof, shall submit a completed transfer application, together with the requisite fee therefor, to the County of El Dorado seeking approval of the transfer of the Permit from Seller to Buyer. Upon approval of the application by the County of El Dorado with conditions, if any, reasonably acceptable to Buyer, the sale and purchase of the Assets shall be deemed consummated and Buyer shall pay to Seller the purchase price in cash or by check and Seller shall execute the bill of sale described in Section 6. below evidencing Seller's sale and transfer of the Assets to Buyer. In the event this condition is not satisfied on or before April 30, 2011, Buyer at Buyer's option may rescind and terminate this Agreement and Buyer's obligations hereunder by giving written notice of such to Seller, in which event this Agreement shall be null and void and of no force or effect.

4. **Representations and Warranties.** Seller hereby represents and warrants as of the date hereof that Seller is the owner of the Assets and the holder of the Permit and the Assets and the Assets and Permit are free and clear of all liens and encumbrances and that Seller has the full authority to sell the Assets and, subject to the approval of the County of El Dorado, to transfer the Permit. Seller further represents and warrants that as of the date of satisfaction of the condition precedent referenced in Section 3. above and Seller's execution of the bill of sale described in Section 6. above, the foregoing representations and warranties will be true and correct.

5. **Indemnification.** Seller hereby agrees to defend and indemnify Buyer and its directors, officers, employees and agents and each of them from and against any claims, demands, cause of action, action, liability, damages, cost or expense, including attorneys' fees incurred in enforcing the provisions

hereof, arising out of or in any way connected with Seller's conduct of river rafting trips on and before the date of satisfaction of the above referenced condition and consummation of the sale and purchase of the Assets by Buyer paying to Seller the above referenced purchase price and Seller executing the bill of sale referenced below.

6. **Bill of Sale.** Attached hereto as Exhibit "A" and incorporated herein by reference is a copy of bill of sale pursuant to which Seller transfers all of Seller's right, title and interest in and to the Assets to Buyer. Upon execution hereof, satisfaction of the above referenced condition, and payment by Buyer to Seller of the purchase price, Seller shall execute the original of such bill of sale and convey it to Buyer.

7. **Attorney's Fees.** Should a dispute arise between the parties hereto over the terms and provisions hereof or the performance of either party hereunder, the prevailing party in such dispute shall be entitled, in addition to his or its damages, to reimbursement of attorney's fees and costs incurred in connection with his or its prosecution or defense of such dispute, whether resolved by litigation or arbitration. The parties agree that attorney's fees and costs shall include all time and expense incurred by the party in engaging an attorney not only to prosecute or defend such dispute, but to counsel the party with respect to the dispute and negotiate on its or his behalf.

8. **Miscellaneous.**

a. This Agreement constitutes the whole and the entire agreement of the parties with respect to the subject matter hereof and it shall not be modified or amended in any respect except by a written instrument executed by all the parties. This Agreement replaces and supersedes all prior written and oral agreements by and among the parties hereto.

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

c. This Agreement shall be construed and enforced in accordance with the law of the State of California. If any provision of this Agreement is determined by any court of competent jurisdiction or an arbitrator to be invalid, illegal, or unenforceable to any extent, the provision shall, if

possible, be construed as though more narrowly drawn if a narrower construction would avoid such invalidity, illegality, or unenforceability or, if that is not possible, such provisions shall, to the extent of such invalidity, illegality, or unenforceability, be stricken and the remaining provisions of this Agreement shall remain in effect.

d. This Agreement shall be binding on any inure to the benefit of the parties and their heirs, personal representatives, and successor and assigns.

e. The parties to this Agreement shall promptly execute and deliver any and all additional documents, instruments, notices, and other insurance, and shall do any and all other acts reasonably necessary in connection with the performance of their respective obligations under this Agreement and to carry out the intent of parties.

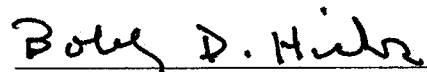
f. Each party represents and warrants to the other that that party has the capacity and the authority to enter into this Agreement.

g. Time is in the essence of every provision of this Agreement that is specifies a time for performance.

Executed on the date first written above at Chico, California.

SELLER:

By:

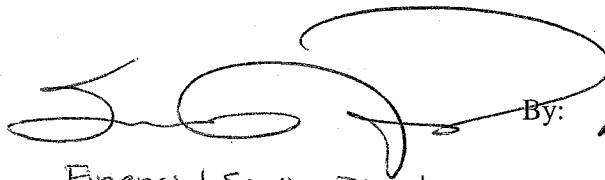


Bobby Hicks, individually and doing
business as American River Adventures

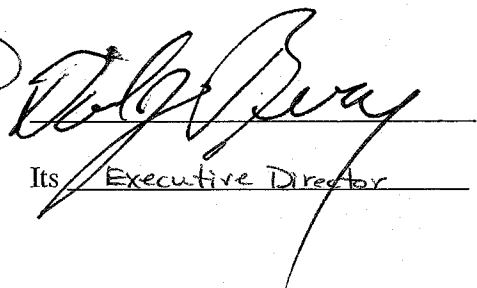
BUYER:

Associated Students of
California State University, Chico, a
California non-profit, public benefit
corporation by and through its
Adventure Outings Program

By:



Financial Services Director



Its Executive Director

Bill of Sale

I, Bobby Hicks, individually and doing business as American River Adventures, whose address is _____, California, in consideration of the sum of \$20,000.00 paid to me by the Associated Students of California State University, Chico, ("Buyer") whose address is Bell Memorial Union, Room 218, Chico, California 95929, the receipt of which is hereby acknowledged, hereby sell, convey and transfer to Buyer all of my right, title and interest in and to that part of my business used in conducting river rafting trips on the South Fork on the American River, excluding equipment, but including all customer lists and records, and all goodwill and going concern value.

I represent and warrant that I am the lawful owner of the above assets and that the assets are free from all liens and encumbrances. I further represent and warrant that I have the right to sell the assets and warrant and defend that right against lawful claims and demands of all persons.

This Bill of Sale is effective as to the transfer of all assets listed above as of the date of execution hereof.

Executed on _____, 2011 at Chico, California.

Bobby Hicks, individually and doing business as
American River Adventures

Exhibit B

El Dorado County River Management Plan Element 6.2.1.4

River Management Plan
Section Relating to Permit Transfers

- 6.2.1.4 River Use Permit Transfers - Where a commercial outfitter wishes to transfer a River Use Permit, the following guidelines and procedures shall be used.
- 6.2.1.4.1 For any proposed transfer of a River Use Permit, a written application must be submitted to the Planning Commission for its review and approval prior to a transfer being consummated. Said application letter is to be submitted through County Parks. The following guidelines are to be used to facilitate the application for transfer.
- 6.2.1.4.1.1 The buyer and seller negotiate and settle privately on the selling price of that commercial outfitter's business and inventory, excluding the South Fork River Use Permit. The River Use Permit shall have no value assigned to it in the transaction.
- 6.2.1.4.1.2 The seller and buyer submit a Letter of Intent stating that the seller wishes to sell his business and transfer the River Use Permit to the buyer. The letter shall include the River Use Permit numbers and names of outfitters involved. This Letter shall be delivered to County Parks. With the Letter of Intent, when requested by the County, the buyer and seller shall include an inventory of equipment and other assets that shall be transferred along with the permit.
- 6.2.1.4.1.3 County Parks shall review the proposed transfer and forward a staff recommendation along with conditions to the Planning Commission.
- 6.2.1.4.1.4 Permit holders with outstanding violations may not be allowed to transfer a permit until the violations are resolved.
- 6.2.1.4.1.5 An existing outfitter's business may be sold to an individual who does not currently hold a River Use Permit or to another permit holder. Upon such sale a transfer fee, set by the Board of Supervisors, will be paid to the County by the new Permit holder.
- 6.2.1.4.2 Transfer of a Portion of a River Use Permit - In some instances where an outfitter would like to sell a portion, but not all of his business, or an existing partnership is proposed to be dissolved, the Planning Commission may consider the transfer of a portion of that River Use Permit. The guidelines outlined in the preceding Elements shall apply as well as the following.
- 6.2.1.4.2.1 A portion of a River Use Permit that is proposed to be transferred must include a proportional share of equipment or other physical assets.
- 6.2.1.4.2.2 The transfer of a portion of a River Use Permit must specifically state what portion of the weekday and weekend capacity is to be transferred.

- 6.2.1.4.2.3 The transfer of a portion of a River Use Permit can only be authorized between two commercial outfitters that each hold a valid County River Use Permit. A new River Use Permit cannot be created by division of an existing partnership, except when two Permits had been combined into one.
- 6.2.1.4.2.4 The permittees' past history of river use, violations, complaints, and other operating characteristics will be carefully considered prior to approving any transfer of permit capacity. In general, the County wishes to allow partial transfers only to those outfitters who have exhibited the highest level of expertise and commercial management and have operated without violations or infractions.
- 6.2.1.4.3 Consolidation of River Use Permits – The County strongly desires that outfitters who hold more than one County River Use Permit combine those Permits into a single Permit. This will greatly simplify the County's accounting procedures. In some situations, it is a business advantage to an outfitter to hold more than one Permit. The County will not, in general, require that multiple permits be combined unless problems with reporting, accounting, exceeding permit capacity, and other problems occur. Multiple permits may be required to be combined in the following instances.
- 6.2.1.4.3.1 When there is a history of reporting and accounting problems by either the County or the outfitter.
- 6.2.1.4.3.2 When the capacity limits as described in the permit(s) are exceeded.
- 6.2.1.4.3.3 When a transfer of a permit is proposed.
- 6.2.1.4.3.4 When the outfitter does not properly mark equipment and boats with the company name (if there is more than one company name on each permit and each permit is accounted for separately and distinctly.)
- 6.2.1.4.3.5 If the company names on the permits are the same, the overall multiple permit capacity shall be the sum total of the individual permits' weekend day and weekday allocations.

Exhibit C

County Code Ordinance 5.48.

Streams and Rivers Commercial Boating

Chapter 5.48 STREAMS AND RIVERS COMMERCIAL BOATING

5.48.010 Title.

This chapter shall be referred to as the Streams and Rivers Commercial Boating Ordinance. (Ord. 4594, 1-15-2002)

5.48.020 Purpose.

The Board of Supervisors recognizes that recreational use of the county's streams and rivers includes the use of streams and rivers by rafts, kayaks, and other floating devices. The board has further found it necessary to manage whitewater recreation, through the County's River Management Plan, to protect the riparian environment and the safety, health, and welfare of river users and riparian landowners. Consistent with the policies and purposes of the 2001 El Dorado County River Management Plan, as it may be amended from time to time, this chapter regulates commercial boating on County rivers and streams. (Ord. 4594, 1-15-2002)

5.48.030 Definitions.

- A. "Boat rental" means the lease, rental, loan, or bailment for consideration of any floating device for use on any stream or river named in section 5.48.040.
- B. "Commercial outfitter" means any operation that meets any of the criteria specified in Subelement 6.1 of the 2001 El Dorado County River Management Plan, as it may be amended from time to time.
- C. "Commercial river use" means any operation of a boat rental or commercial outfitter.
- D. "Commercial river use permit" means a discretionary permit issued pursuant to this chapter that entitles the permittee to engage in commercial river use.
- E. "County parks" means the airports, parks and grounds division of the department of general services.
- F. "Floating device" means any raft, kayak, canoe, inner tube, kickboard, water wheel, or similar object, or any "vessel" as defined by section 21 of the California Harbors and Navigations Code, as it may be amended from time to time. "Floating device" expressly excludes U.S. Coast Guard approved personal flotation devices, types 1 through 5. (Ord. 4594, 1-15-2002)

5.48.040 Permit Required.

No person or entity shall engage in commercial river use on the reaches of the South Fork of the American River between Chili Bar and Salmon Falls, except as authorized by a valid commercial river use permit in good standing. (Ord. 4594, 1-15-2002)

5.48.050 Permit Issuance Procedure.

Commercial river use permits shall be issued by the planning commission. The procedure for permits is as follows:

- A. The applicant shall submit an application for a commercial river use permit, accompanied by a river use plan, and appropriate fee, to county parks on or before an annual deadline set by county parks.
- B. Within sixty days of the deadline for receipt of the application and river use plan, county parks shall review them for compliance with the standards of this chapter and of the River Management Plan and submit a written report of its conclusions and recommendations to the planning commission. If county parks concludes that an applicant's river use plan is not complete or does not meet the standards of section 5.48.070, it shall recommend that the application be denied.
- C. Upon receipt of the report from county parks, the matter shall be placed on the agenda of the next available meeting of the planning commission. The planning commission shall approve the permit upon a finding that the application and plan meet all standards of this chapter and of the River Management Plan; it shall deny the permit upon a finding that the application and plan do not meet one or more standards, identified in the finding, of this chapter or of the River Management Plan.
- D. Following the decision of the planning commission, either the applicant or any other person who is adversely affected by the decision may file an appeal to the board of supervisors in accordance with Chapter 2.09 of this code. The appeal must be filed within ten (10) days after the action of the planning commission on a form furnished by the clerk to the board of supervisors. The appeal must be accompanied by a fee of twenty-five dollars (\$25) for every permit or application included in the appeal.
- E. The board of supervisors shall review each appealed decision de novo, and shall sustain or reverse the decision, or remand it to the planning commission for further consideration. The action of the board of supervisors shall be final and shall be rendered within seven days of the conclusion of its hearing. (Ord. 4594, 1-15-2002)

5.48.060 Permit Term; Annual Review; Fees.

- A. Commercial river use permits shall be issued for a three-year term, with mandatory annual review by county parks. The permit term shall run from the earlier of April 1 or the date of issuance.

B. Notwithstanding subdivision A., the following permits shall have one-year terms:

1. A permit issued for a commercial river use that has been operating for less than one year.
 2. A permit issued to an operator who does not currently hold a permit.
- C. In its annual review, county parks shall review any violations or complaints regarding the permittee and require the permittee to provide the following: a statement of any changes in its river use plan, current certificates of insurance, a newly executed letter agreeing to observe all standards enacted or enforced by the director of environmental health regarding food storage, handling, and preparation, solid waste, sewage and sewage disposal, and water supply.
- D. Fees for the issuance and annual review of commercial river use permits shall be established by resolution of the board of supervisors. The issuance fee shall be an amount equal to the estimated cost of enforcing and administering the provisions of this chapter, including the processing of the application. The annual review fee shall not exceed the costs of conducting the annual review. (Ord. 4594, 1-15-2002)

5.48.070 River Use Plan Contents.

The river use plan required by section 5.48.050 shall include, but need not be limited to, the following information:

- A. Applicant's name, mailing address, and location of place of business.
- B. If the place of business is not located in El Dorado County, the name, address, telephone number, and other relevant contact information of a local agent within the county who will be available in the event of emergencies or other problems.
- C. Full description of all activities proposed to be conducted under the commercial river use permit being sought.
- D. Full descriptions, including location, of all planned ingress and egress from the water, as well as all rest stops, lunch stops, or other planned non-emergency stops on adjoining lands. All lands so specified must be property for which the private landowner has secured a special use permit that allows the planned use, or property owned by a state or federal agency.
- E. Full description, including location, of the parking facilities for the permittee's commercial vehicles, employees, clients, and guests. Parking facilities must provide parking allocated to the permittee's exclusive use that meets the standards of chapter 17.18 of this code. All lands specified for parking facilities must be property for which the private landowner has secured a special use permit that allows the planned use, or property owned by a state or federal agency.

- F. Written proof that the applicant has obtained the landowners' or managing public agencies' permission for the activities planned on all lands specified in response to subparagraphs D and E, if the applicant is not the landowner.
- G. Written confirmation that the permittee will provide shuttle transportation services to and from all points of ingress and egress. Vehicles used by permittee to transport clients, employees, or equipment shall meet at current California Vehicle Code requirements.
- H. Written confirmation of compliance with county Environmental Health Permit requirements and all food storage, handling and preparation, solid waste, sewage and sewage disposal, and water supply standards enacted or enforced by the director of environmental health. This requirement may be satisfied by a letter and Environmental Health Permit application, signed by the applicant, agreeing to observe all such standards.
- I. Full description of planned safety measures for river users that meet that standards of section 5.48.120.
- J. Written proof of bodily injury and liability insurance covering all activities of the permittee and the permittee's employees or agents relating to or incidental to river use pursuant to the permit sought. Liability insurance must meet scope and amount standards set by resolution of the board of supervisors, and must name the county, its officers and employees, and riparian landowners as additional insureds.
- K. Full description of a name or logo identification, to be utilized on all flotation devices, that meets the criteria of Subelement 6.2.5 of the River Management Plan, as it may be amended from time to time. (Ord. 4594, 1-15-2002)

5.48.080 Limitation on Allocations.

Notwithstanding section 5.48.050, no river use permit will be issued if its issuance would cause the total weekend or weekday commercial use allocation to exceed the allocations authorized by permits in effect on November 20, 2001, unless a permit is sought for the provision of a truly new and unique commercial river use, as determined by the planning commission or the board of supervisors on appeal. The purpose of this limitation is to protect the health, safety and welfare of river users and riparian landowners, as well as the riparian environment. (Ord. 4594, 1-15-2002)

5.48.090 No Vested Right.

The granting of a commercial river use permit does not vest any right or entitlement to an extension or renewal beyond the permit period. (Ord. 4594, 1-15-2002)

5.48.100 Revocation, Denial, or Non-Renewal of Permit.

A. A commercial river use permit may be revoked by the county hearing officer, or the board of supervisors on appeal, and may be reappplied for in the following year, pursuant to the standards and procedures of the River Management Plan as it may be amended from time to time.

B. If a commercial river use permit has been revoked and not issued on reapplication, denied, or no timely application for its renewal has been submitted, the weekday and weekend use allocations associated with that permit shall revert to the county. After first soliciting a recommendation from the river management advisory committee, the board of supervisors may dissolve those allocations or assign them to one or more existing commercial outfitters or new commercial outfitters who apply for all or a portion of the allocations. (Ord. 4594, 1-15-2002)

5.48.110 Permit Transfer, Consolidation, or Inactivation.

Commercial river use permits may not be transferred or consolidated in whole or part, or inactivated, except as provided in Subelement 6.2.1.4 of the River Management Plan, as it may be amended from time to time. (Ord. 4594, 1-15-2002)

5.48.120 Safety Equipment and Standards.

- A. Each floating device used to traverse a stream or river shall carry one U.S. Coast Guard approved personal flotation device per person using the floating device.
- B. The number of persons using a floating device shall not exceed the floating device's design capacity, except in an emergency or rescue situation.
- C. All commercial outfitters shall observe the safety, training, and equipment standards of Subelements 6.2.7 and 6.2.8 of the River Management Plan, as they may be amended from time to time. (Ord. 4594, 1-15-2002)

5.48.130 Littering and Trespass.

All persons, groups or business entities who use the streams and rivers of the county for recreational or commercial purposes shall be subject to state law regarding littering and trespass. (Ord. 4594, 1-15-2002)

5.48.140 Penalty for Violation.

A. Violation by commercial river use permittees of certain standards and representations specified in section 5.48.070 shall be penalized as follows:

1. Violations of subdivisions A., B., D., E., F., G., or K. shall be punishable as specified in Subelement 6.2.10.3 of the River Management Plan, as it may be amended from time to time.
 2. Violations of subdivision H. shall be punishable by penalties imposed or enforced by the environmental health department.
 3. Violations of subdivisions C. or J. shall be punishable as specified in Subelement 6.2.10.4 of the River Management Plan, as it may be amended from time to time.
 4. Violation of subdivision I. shall be a misdemeanor punishable pursuant to subdivision B of this section.
- B. Except as otherwise specified in subdivision A., violations of any provision of this chapter shall be a misdemeanor and punishable by imprisonment in the county jail not to exceed six months, by a fine not to exceed five hundred dollars, or both. (Ord. 4594, 1-15-2002)