

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 3, 2019

Advice Letter: 5534-E

Pacific Gas and Electric Company
Attn: Erik Jacobson Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

SUBJECT: Humbug Valley Land Donation—Request for Approval under Public Utilities Code Section 851

Dear Mr. Jacobson:

Advice Letter (AL) 5534-E is approved, effective June 3, 2019. AL 5534-E was filed on April 26, 2019 and was protested by Plumas County on May 9, 2019. PG&E responded to the protest on May 23, 2019. For the reasons described below, the Energy Division finds that the Protest of Plumas County does not meet the criteria of a valid protest pursuant to General Order 96-B. Although this particular transaction is approved, Energy Division will continue to work with Plumas County to ensure their general concerns are addressed in subsequent transactions.

The Protest notifies the Commission that a final agreement on tax neutrality has not been reached between Plumas County and the Stewardship Council. Specifically, Plumas County has not reached agreement with the Stewardship Council regarding both the "Guidelines Regarding Satisfaction of Tax Neutrality", and the "Property Tax Neutrality Methodology adopted by the Stewardship Council", as related to the payment of property taxes for the donated lands in Humbug Valley. The Land Conservation and Conveyance Plan (LCCP) attached to AL 5534-E describes in detail the Land Conservation Commitment (LCC) values associated with the property including the Conservation Easement (CE) that describes the legal restrictions on land use necessary to preserve the Beneficial Public Values (BPVs) of the land.

Energy Division acknowledges that the PG&E watershed land transactions occurring under the LCC, as ordered by CPUC Decision (D.)03-12-035, must be "tax neutral" for each county. D.03-12-035 provides that each county shall receive property tax neutrality payments in perpetuity, and the approval of this advice letter does not change that.

Energy Division agrees with PG&E's response to Protest that D.03-12-035 stipulated that "the totality of dispositions in each affected county under this Land Conservation Commitment will be 'tax neutral' for that county." PG&E further states that more LCC transactions will occur in Plumas County and - that because of these future transactions - the Humbug Valley land donation is "not ripe for protest at this time".

Energy Division agrees that until those transactions are complete, the totality of the tax neutrality payments to the County cannot be determined. It is Energy Division's understanding that numerous previous LCC watershed lands donations have been approved in other counties prior to a final tax neutrality agreement being reached with the affected county. With this understanding and with the need to process each transaction in a timely manner, Energy Division finds that it is in the public interest to immediately approve the transaction. Prior to completion of the final LCC transaction in Plumas County, Energy Division will ensure that the tax neutrality guidelines and methodology approved by the Commission in Resolution E-4644 comply fully with D.03-12-035.

With this clarification, Energy Division staff finds the protest of AL 5534-E to be invalid.

Sincerely,



Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division

cc
Gabriel Hydrick, Administrator County of Plumas



April 26, 2019

Advice 5534-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

Subject: Humbug Valley / Tásmam Kojóm Land Donation - Request for Approval under Decision D.03-12-035, D.08-11-043, D.10-08-004, and Public Utilities Code Section 851

Purpose

Pursuant to the streamlined procedures adopted by the California Public Utilities Commission (“Commission” or “CPUC”) in Decision (D.) 08-11-043 (as modified by D.10-08-004), Pacific Gas and Electric Company (“PG&E”) requests disposition letter approving PG&E’s donation of fee simple title to approximately 2,325 acres of land in Plumas County, commonly known as Humbug Valley (“Property”) to the Maidu Summit Consortium (“MSC”). This donation is being made in the public interest and will protect and preserve the Beneficial Public Values (“BPVs”) on the Property, including the habitat of fish, wildlife and plants, forest resources on the Property, agricultural uses, the scenic viewshed of the Property, outdoor recreation, and identified historic and cultural values by restricting any use of the Property that would significantly impair or interfere with the protection of these values. This donation is in accordance with the terms and conditions specified in the Settlement Agreement and Stipulation that were approved by the Commission in D.03-12-035 (“Stipulation”).

Background

Pursuant to the Stipulation, the Pacific Forest and Watershed Lands Stewardship Council (“Stewardship Council”) was established in 2004 to develop a plan to permanently protect, for the benefit of the citizens of California, more than 140,000 acres of watershed lands (“Watershed Lands”) owned by PG&E. This effort is known as PG&E’s Land Conservation Commitment (“LCC”). PG&E is fulfilling its commitment through fee donation of certain Watershed Lands and/or the conveyance of conservation easements, (or satisfactory assurance in another form) that each parcel will be managed consistent with the purpose of the Land Conservation Commitment. PG&E will not make fee simple donations of lands that contain hydroelectric project features, hydroelectric projects licensed by the Federal Energy Regulatory Commission (“FERC”), or properties whose ownership is

otherwise required for utility operations. The Stipulation also includes provisions to ensure the rights necessary to operate and maintain current and future hydroelectric and associated water delivery facilities are reserved, and the existing agreements for economic uses will be honored.

A detailed description of this proposed donation, which addresses the requirements set forth in Section 12(a) of the Stipulation, is provided in the attached Land Conservation and Conveyance Plan (Attachment A) prepared by the Stewardship Council and approved by their Board of Directors. Land Conservation and Conveyance Plans will be issued serially for all Watershed Lands and together will comprise the Land Conservation Plan Volume III.

Transaction Specific Considerations

To ensure all agreements are fully enforceable and achieve the requirements of the Stipulation, MSC is accepting the donation pursuant to certain restrictions on transfer of Property and agreeing to execute and record a power of termination ("Power of Termination") in favor of the California Department of Fish and Wildlife ("CDFW").

In the Power of Termination Agreement, MSC agrees to not convey, grant rights to or in, or otherwise transfer the Property without the prior written consent of the CDFW. MSC also agrees not to use the Property as Security for any debt nor shall it encumber the Property with any liens or other financial encumbrances without the prior written approval of CDFW.

The Power of Termination Agreement outlines the steps to be taken by CDFW if it believes MSC has violated or taken steps to violate any of the restrictions on the transfer or encumbrance of the Property or if MSC is dissolved before the transfer of title.

For the complete text of the Power of Termination Agreement see the Conservation Easement, Attachment B, Exhibit I.

Property Specific Considerations

Parcel 700: A boundary survey was completed to effectuate this transaction, resulting in the identification of a waterline and a corner of a barn which may be encroaching onto a portion of PG&E Property (Attachment B, Exhibit J).

But for this LCC transaction, these encroachments may not have been discovered because PG&E does not actively use the property for utility operations. Because the land is not needed for operations, PG&E proposes maintaining the status quo to avoid conflict between the Fee Donee and the private property owner. To accomplish this, PG&E coordinated with the Stewardship Council, Fee Donee and private property owner to reach an Encroachment Agreement ("EA") that, if approved as part of this Advice submittal, will allow for the encroachments to remain

in favor of certain terms and conditions as Grantor shall deem appropriate. For the complete text regarding the Encroachment Agreement see Attachment C.

In accordance with the streamlined procedure adopted by the Commission in D.08-11-043, PG&E provides the following information as required by Ordering Paragraph 2:

(1) Identity of the Conservation Property

The Property, identified as Parcels 699-702 (totaling approximately 2,325 acres of land) on the map included in Attachment A, page 4, is located in Plumas County. The Property is approximately 6 miles southwest of Lake Almanor and about 10 miles south of the Town of Chester. The Property is surrounded by U.S. Forest Service lands and various private properties.

(2) Type of Property Interest Disposition

Per the Stewardship Council recommendation, PG&E will convey fee simple title to the MSC. MSC will then immediately convey a conservation easement (Attachment B) to the California Department of Fish and Wildlife ("CDFW") and Feather River Land Trust ("FRLT"), which will permanently protect the BPVs on the Property. The Property will be transferred subject to a Grant Deed restriction regarding water use. For the complete text of the Grant Deed, see Attachment D.

PG&E will additionally transfer to the MSC certain personal property located on the real property subject to that certain Special Use Permit between Pacific Gas and Electric and U.S. Department of Agriculture Forest Service dated March 21, 2014 and associated Annual Operations and Maintenance Plan for use of a portion of the Yellow Creek Campground. For the complete list of personal property and complete text of the Bill of Sale see Attachment E.

The State Board of Equalization estimates the value of the Property is \$405,713 (Attachment F).

A. Property Encumbrances and Uses

There are recorded encumbrances on the Property for road purposes and timber. There are two existing third-party agreements for economic uses (homesite leases) on the Property, as delineated in Exhibit C of the conservation easement. PG&E will Assign the ground leases to the Donee upon close of escrow. For the complete text of the Assignment and Assumption agreement see Attachment G. There are no unrecorded encumbrances on the Property.

B. Public Access

The Property is accessible via Humbug Road and USFS roads.

Public access to the Property will not be changed as a result of the donation of the Property. For the complete text regarding Public Access please see Attachment B, page 9, section 8.

C. PG&E's Assumption of Liability

Section 12(f) of the Stipulation requires that PG&E hold the donee and/or conservation organizations harmless for hazardous waste or substance liability. Fulfillment of that obligation is reflected in the Environmental Agreements, attached hereto as Attachment H and I.

PG&E conducted an environmental review as part of its diligence in preparation for donation of the Property. The environmental review included an Environmental Site Assessment (ESA). The ESA assessed the past and present uses, ownership, and environmental conditions in order to identify potential issues that present known or possible environmental areas of concern. The ESA included, but was not limited to, a site reconnaissance, interviews, historical and regulatory document review, and limited sampling. The sampling did identify two potential environmental issues regarding lead in a debris pile and the perimeter of residential buildings. PG&E completed work to remove the contaminated soil in 2015 and 2018. No other potential environmental issues were identified on the Property.

(3) Legal Name and Location of Receiving Parties

Maidu Summit Consortium
P.O. Box 682
Chester, CA 96020
Attn: Executive Director

Feather River Land Trust
P.O. Box 1826
75 Court Street
Quincy, CA 95971
Attn: Executive Director

Department of Fish and Wildlife
North Central Region
1701 Nimbus Road
Rancho Cordova, CA 95670
Attn: General Counsel

(4) Proposed Uses and Conservation Management Objectives:

As set forth in the Stipulation, the cornerstone of the Land Conservation Commitment is its requirement that the Watershed Lands be preserved and enhanced for the following broad range of BPVs, which are as follows:

- Protection of the Natural Habitat of Fish, Wildlife, and Plants
- Preservation of Open Space
- Outdoor Recreation by the General Public
- Sustainable Forestry
- Agricultural Uses
- Historic Values

The conservation easement for the Property ensures permanent protection of those BPVs listed in the Stipulation that are present on the Property. Attachment B, Exhibit D provides that the following BPVs are protected on the Property:

A. Protection of the Natural Habitat of Fish, Wildlife, and Plants

Fish, Plant, and Wildlife Habitat - Tásmam Kojóm (Humberg Valley) is located in Plumas County in the State of California's Sierra Nevada Cascades Ecoregion and Sacramento Hydrologic Unit. Terrestrial habitats, as defined in the California Wildlife Habitat Relationship System (CWHRS), in the valley portion of the Property consist of wet meadow habitat (WTH), annual grassland (AGS), aspen (ASP), and montane riparian (MRI). The upland portions of the Property transition from AGS into coniferous forest habitats, including Sierran mixed conifer (SMC), white fir (WFR), and juniper (JUN).

B. Preservation of Open Space

The majority of the property is scenic open space with few facilities and structures visible from adjacent public land, viewsheds and byways.

C. Outdoor Recreation by the General Public

Recreational use of the property by the public is focused on angling, camping, birding, hiking and other passive uses. The property includes a semi-primitive campground alongside Yellow Creek and Soda Springs State Historic Site and Day Use Area.

D. Sustainable Forestry

Tásmam Kojóm includes timbered land surrounding the

meadow. Timberland on the property includes lands supporting conifer species in the SMC, WFR, and JUN habitat types. The property also includes lands supporting hardwood species in the ASP and MRI habitat types.

E. Agricultural Uses

Wild plant foods, medicinal plants, basketry materials, seeds, grasses and bulbs are cultivated for subsistence, medicinal and ceremonial purposes. Prescribed burning, pruning of plants and removal of debris from the understory, among other techniques have been used historically to facilitate the production of food and plants from this area, and contributed substantially to shaping the Property's landscape.

F. Historic Resources

Tásmam Kojóm contains a variety of historic and cultural resources. The Property lies within the ancestral territory of the Mountain Maidu people, and holds cultural significance for them. Historic resources include a vacant historic cabin at the former site of the town of Longville along Humbug Road near the center of the valley and a state-designated historic site at Soda Springs.

(5) Environmental Information

The conservation easement establishes building envelopes that allow for limited potential future development of the Property. Although the conservation easement incorporates a description of potential activities and infrastructure, no development is proposed at this time and the incorporation of permitted uses and practices in the conservation easement does not, and legally cannot, authorize development of the Property. Such authorization must be sought from the local land use authority in accordance with local land use and development requirements, which would include any review necessary to ensure compliance with CEQA at the time such development is proposed.

The proposed transaction constitutes a change in ownership with no proposed changes to land uses; thus, no direct or indirect environmental impacts will occur as a result. Therefore, the transaction does not constitute a "project" under the California Environmental Quality Act (CEQA). Accordingly, as stated in D.99-12-030 (pages 7 and 9), this advice letter process is not subject to review under CEQA.

PG&E's Review & Finding

PG&E has reviewed the transaction and documents herein and has determined that the proposed transaction is compliant with requirements of the Stipulation. Additionally, this transaction will not have an adverse effect on the public interest or

on the ability of the utility to provide safe and reliable service to customers at reasonable rates.

Lastly, the Stewardship Council intends to provide funding to satisfy property tax payments in perpetuity for the Property.¹ Upon CPUC approval of fee title donation of the Property, Plumas County will receive a one-time lump sum payment to satisfy property tax in perpetuity for the Property. The County would, in-turn, be required to distribute the funds to the general fund and applicable special districts consistent with the Tax Rate Area in effect for the parcels.

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail by facsimile or electronically, any of which must be received no later than May 16, 2019, which is 20 days after the date of this submittal. Protests should be mailed to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission.

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to this advice letter; the requirements for responding to advice letters are set forth

¹ As stated in Resolution E-4644 the Commission endorses the Stewardship Council 1) Guidelines Regarding Satisfaction of Tax Neutrality, and 2) the Property Tax Neutrality Methodology adopted by the Stewardship Council.

***** SERVICE LIST Advice 5534-E *****
APPENDIX A

***** AGENCIES *****

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jzr@cpuc.ca.gov

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San Francisco, CA 94102
(415) 703-2579
fly@cpuc.ca.gov

Maidu Summit Consortium
P.O. Box 682
Chester, CA 96020
Attn: Executive Director

Feather River Land Trust
P.O. Box 1826
75 Court Street
Quincy, CA 95971
Attn: Executive Director

Department of Fish and Wildlife
North Central Region
1701 Nimbus Road
Rancho Cordova, CA 95670
Attn: General Counsel

Stewardship Council
Attention: Heidi Krolick, Executive Director
Attention: Executive Director
3300 Douglas Blvd. Ste. 250
Roseville, CA 95661
Telephone: (916) 297-6660



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39 E)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: AMHP@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 5534-E

Tier Designation: 1

Subject of AL: Humbug Valley / Tasmam Kojom Land Donation - Request for Approval under Decision D.03-12-035, D.08-11-043, D.10-08-004, and Public Utilities Code Section 851

Keywords (choose from CPUC listing): Agreements, Section 851

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.03-12-035, D.08-11-043, D.10-08-004

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: N/A

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
State: California Zip: 94177
Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Attachment A

Land Conservation and Conveyance Plan

Final LCCP

May 2nd, 2018



Stewardship
Council

Land Conservation and Conveyance Plan

Maidu Summit Consortium Donated Lands
at Humbug Valley (Tasmam Koyom) Planning Unit

Executive Summary

Subject

LCCP Humbug Valley Planning Unit
Land Conservation Plan Identification Numbers (Parcels) 699-702 as shown on the map attached as Exhibit 1.

Type of Property Interest Disposition

- Maidu Summit Consortium (MSC) to hold fee simple title to 2,325 acres within Parcels 699-702 of the Humbug Valley planning unit.
- California Department of Fish and Wildlife (CDFW) and Feather River Land Trust (FRLT) to hold the conservation easement on the 2,325 acres of Parcels 699-702 donated to the MSC.

Summary

2,325 acres within four parcels (Parcels 699-702) in Humbug Valley, known by the Maidu people as Tásmam Kojóm, will be donated to the MSC and, consistent with the conditions in the Settlement Agreement, the property will be subject to a perpetual conservation easement granted by the MSC to CDFW and FRLT. Pending California Public Utilities Commission (CPUC) approval, and immediately following PG&E's conveyance of 2,325 acres within Parcels 699-702 to the MSC, the MSC, CDFW and FRLT will enter into the conservation easement.

The 2,325 acres in Parcels 699-702 to be donated to the MSC are outside the Rock Creek-Cresta Project boundary (FERC #1962) and PG&E has determined this acreage does not need to be retained for existing or future utility operations. Therefore, this acreage is available for donation, subject to PG&E's reserved rights.

This transaction will not have an adverse effect on the public interest or on the ability of the utility to provide safe and reliable service to customers at reasonable rates.

Property Location

The property subject to this LCCP consists of 2,325 acres in Plumas County southwest of Lake Almanor.

Economic Uses and Agreements

There are recorded encumbrances on the property to be donated to the MSC for roads and timber. There are two existing agreements for economic uses (homesite leases) on the property to be donated to the MSC in Parcel 700 of the Humbug Valley planning unit.

Consistent with the Settlement Agreement, PG&E will reserve its rights to maintain and operate existing and future utility facilities on the parcels to be conveyed in fee. The specific reserved rights are set forth in the grant deed and conservation easement, which can be found in Appendices 2 and 3, respectively.

Permanent Protection of the Beneficial Public Values

The grant deed transferring fee title to the MSC includes a recital that the MSC and PG&E acknowledge that the conveyance, together with the conservation easement transaction being entered into by the MSC, CDFW and FRLT, is being made in the public interest with the intent to ensure the permanent protection of the beneficial public values (BPVs) on the Property as identified in the Land Conservation Plan while allowing the ongoing use of the Property by PG&E for hydroelectric operations, water delivery, and related activities, and acknowledging and honoring the existing third party uses.

Conservation Management Objectives to Preserve and/or Enhance the Beneficial Public Values

The conservation easement for Parcels 699-702 within the Humbug Valley planning unit lists the following Beneficial Public Values (BPVs) that are to be protected:

- Fish, Plant, and Wildlife Habitat - Tásmam Kojóm (Humbug Valley) is located in Plumas County in the State of California's Sierra Nevada Cascades Ecoregion and Sacramento Hydrologic Unit. Terrestrial habitats, as defined in the California Wildlife Habitat Relationship System (CWHR), in the valley portion of the Property consist of wet meadow habitat (WTM), annual grassland (AGS), aspen (ASP), and montane riparian (MRI). The upland portions of the Property transition from AGS into coniferous forest habitats, including Sierran mixed conifer (SMC), white fir (WFR), and juniper (JUN).
- Open Space - The majority of the property is scenic open space with few facilities and structures visible from adjacent public land, viewsheds and byways.
- Outdoor Recreation - Recreational use of the property by the public is focused on angling, camping, birding, hiking and other passive uses. The property includes a semi-primitive campground alongside Yellow Creek and Soda Springs State Historic Site and Day Use Area.
- Sustainable Forestry - Tásmam Kojóm includes timbered land surrounding the meadow. Timberland on the property includes lands supporting conifer species in the SMC, WFR, and JUN habitat types. The property also includes lands supporting hardwood species in the ASP and MRI habitat types.
- Agricultural Uses - Wild plant foods, medicinal plants, basketry materials, seeds, grasses and bulbs are cultivated for subsistence, medicinal and ceremonial purposes. Prescribed burning, pruning of plants and removal of debris from the understory, among other techniques have been used historically to facilitate the production of food and plants from this area, and contributed substantially to shaping the property's landscape.
- Historic Resources - Tásmam Kojóm contains a variety of historic and cultural resources. The property lies within the ancestral territory of the Mountain Maidu people, and holds cultural significance for them. Historic resources include a vacant historic cabin at the former site of the town of Longville along Humbug Road near the center of the valley and a state-designated historic site at Soda Springs.

Tax Neutrality

The Stewardship Council intends to provide funding to satisfy property tax payments in perpetuity for the Property.

Pending CPUC approval of the fee title donation of the Property, Plumas County will receive a lump sum payment of \$424,530, consistent with the methodology described in the Property Tax Neutrality Methodology adopted on June 27, 2012 and amended most recently on November 15, 2017.

Hazardous Waste Disclosure

PG&E has provided the Humbug Valley Environmental Site Assessment Report, prepared by AMEC Geomatrix, Inc., dated June 21, 2010 was mailed to MSC, FRLT and CDFW fulfilling the disclosure requirements of the Land Conservation Commitment. Additional Due Diligence Information entitled Soil Removal Work Plan, PG&E, Humbug Valley Cabins, Plumas County, CA, prepared by Jacobson and James Associates, August 24, 2015, was mailed to MSC on October 28, 2015.

Consideration of Parcel Split

The entire 2,325 acres within Parcels 699-702 are being donated to MSC by PG&E and therefore no parcel split is being proposed.

Applicable CEQA Exemption(s) or Reason Why Transaction is not a “Project Under CEQA”

The Humbug Valley transaction will not result in a direct physical change or a reasonably foreseeable indirect physical change in the environment; therefore, the Stewardship Council does not believe that the transaction is a project under CEQA. In addition, the transfer of land to preserve open space, habitat, or historical resources is categorically exempt under Section 15325 of the CEQA Guidelines (CFR Title 14, Chapter 3).

While the conservation easement significantly restricts development on the site in perpetuity, the conservation easement reserves to MSC the right to build several structures, subject to the limitations in the conservation easement. However, MSC is not proposing to carry out any permitted development or change in use at the time of transfer. Instead, at least for the time being, MSC intends to manage the Property as PG&E does presently. If, in the future, MSC decides to pursue new development or uses that are allowed by the conservation easement, it must first obtain all necessary permits and conduct any necessary CEQA review at that time.

Exhibit 1. Map of the Property

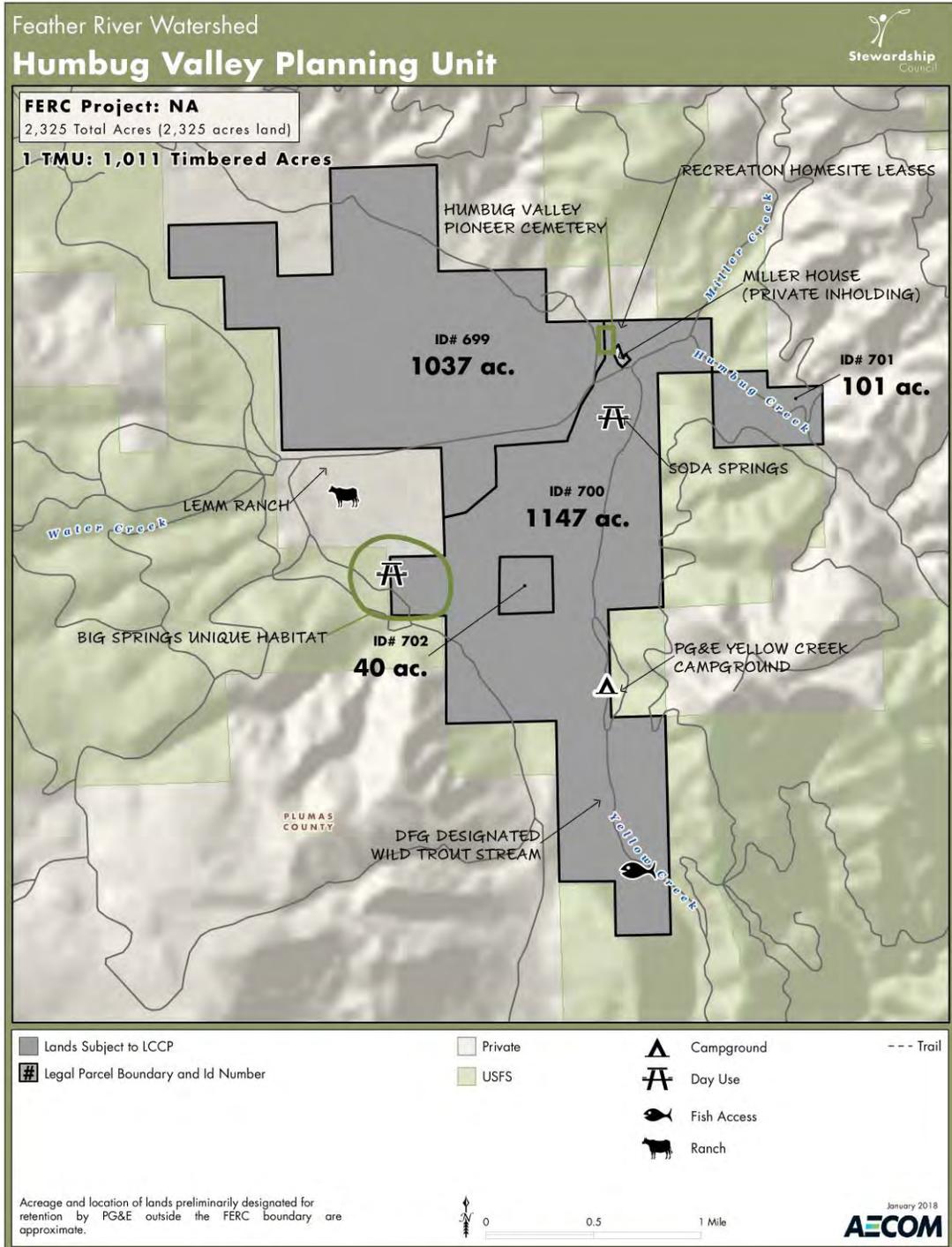


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Introduction

The Pacific Forest and Watershed Lands Stewardship Council (Stewardship Council) is a private, nonprofit foundation established in 2004 pursuant to a Settlement Agreement and a Stipulation Resolving Issues Regarding the Land Conservation Commitment approved by the California Public Utilities Commission (CPUC) in Decision 03-12-035 (Dec. 18, 2003). The Stewardship Council Board of Directors includes appointees from state and federal agencies, water districts, Native American and rural interests, forest and farm industry groups, conservation organizations, the CPUC, and Pacific Gas and Electric Company (PG&E).

The Stewardship Council has developed a plan to protect more than 140,000 acres of watershed lands (Watershed Lands) currently owned by PG&E for the benefit of the citizens of California. Protecting the Watershed Lands will be accomplished through (1) PG&E's grant of conservation easements to one or more public agencies or qualified conservation organizations so as to protect the natural habitat of fish, wildlife, and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values (collectively the Beneficial Public Values), and in some cases, (2) PG&E's donation of the Watershed Lands in fee to one or more public entities or qualified conservation organizations, whose ownership would be consistent with these conservation objectives.

Located primarily in the Sierra Nevada and Cascade Mountain range watersheds, the Watershed Lands contain some of the most pristine and resource-rich landscapes found in the state. The properties are diverse and geographically remote, located in 21 counties from the northern reaches of the state to the southern end of the Central Valley.

As required by the Settlement and Stipulation, the Stewardship Council prepared a Land Conservation Plan (LCP) to establish a framework for the conservation and/or enhancement of the Watershed Lands, and to ensure the permanent protection of these lands for the benefit of current and future generations of Californians. To address the challenge of a conservation effort of this large scope and unique nature, and to facilitate engagement of a wide range of stakeholders and interested members of the public, the Stewardship Council grouped the Watershed Lands into 47 planning units and established a phased approach to development and implementation of the LCP.

In 2007, the Stewardship Council board adopted Volumes I and II of the LCP:

- **Volume I:** The Land Conservation Framework establishes the overall framework for the LCP, including legal requirements, the planning process, methodologies, public involvement, and relevant regulatory processes.
- **Volume II:** Planning Unit Concepts documents existing conditions and presents management objectives, potential measures, and conceptual plans to preserve and/or enhance the Beneficial Public Values (BPVs) within each planning unit. It also documents existing economic uses.

Volume III, consisting of Land Conservation and Conveyance Plans (LCCPs) to be issued serially and cumulatively, will encompass a series of real estate transaction

packages that will detail the specific land conservation and/or disposition requirements for each parcel or parcel cluster. LCCPs represent the Stewardship Council's recommendations for preserving and/or enhancing the BPVs of the Watershed Lands, and are intended to support required regulatory approvals of the land transactions resulting from the Stewardship Council's recommendations. The content of the LCCP spans a number of issues required by the Settlement and Stipulation, such as an express reservation of a right for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any Federal Energy Regulatory Commission (FERC) license, FERC license renewal, or other regulatory requirements. In addition, conservation easements will honor existing agreements for economic uses, including consumptive water deliveries, and preserve or enhance reasonable public access to the Watershed Lands.

During the development of LCP Volumes I and II and the LCCPs, the Stewardship Council implemented a public outreach program to ensure local communities, elected representatives, neighboring property owners, and other key stakeholders had many opportunities to engage in the Stewardship Council's effort to preserve and enhance the Watershed Lands. To solicit additional input from the public on potential fee title recipients or conservation easement holders (referred to as donees), the Stewardship Council hosted a series of public information meetings. These meetings were designed to (1) provide an overview and update on the Stewardship Council's Land Conservation Program, (2) outline next steps, timeline, and opportunities for additional public input, and (3) solicit public input on the desired qualifications of potential donees and the future stewardship of the planning units.

Public input that the Stewardship Council received as a result of the public outreach process, including comments on Volume II of the LCP, comments from public information meetings on the selection of donees and other issues, and correspondence received by the Stewardship Council were considered by the Stewardship Council in its evaluation of the potential donees and their land stewardship proposals. In addition to public meetings, the public was given the opportunity to participate in all of the Stewardship Council's public board meetings where decisions were made on fee title and conservation easement donees. Prior to making a decision regarding the disposition of any parcel, the Stewardship Council will provide notice to the Board of Supervisors of the affected county, each affected city, town, and water supply entity, each affected Tribe and/or co-licensee, and each landowner located within one mile of the exterior boundary of the parcel, by mail or other effective manner. A summary of the public outreach process for this subject LCCP, the Humbug Valley planning unit, is provided in Appendix 1. Furthermore, the proposed LCCP will be made available for public review and comment before it is forwarded by the Watershed Planning Committee to the board for its review and approval.

The Stewardship Council Board of Directors recommends that the Maidu Summit Consortium (MSC) receive 2,325 acres within four parcels (699-702) of the Humbug Valley planning unit in fee and that the California Department of Fish and Wildlife (CDFW) and Feather River Land Trust (FRLT) hold a conservation easement over

the lands recommended for donation to the MSC in these parcels (699-702) of the Humbug Valley planning unit.

Table 1 identifies Stipulation requirements that will be addressed in the LCCP and includes pertinent language from the Stipulation.

Table 1 Stipulation 12(a) Requirements

<p>(1) Acreage, Existing Economic Uses and Agreements <i>“Reasonably exact estimates of acreage, by parcel, within or outside licensed project boundaries, and existing economic uses (including all related agreements);”</i></p>
<p>(2) Objectives to Preserve and/or Enhance <i>“Objectives to preserve and/or enhance the BPVs, as defined in the Settlement Agreement, Appendix E, of each individual parcel;”</i></p>
<p>(3) Recommendations for Conservation Easement and Fee Simple Donation <i>“A recommendation for grant of a conservation easement or fee simple donation for each such parcel;”</i></p>
<p>(4) Finding of Donee Funding and Other Capacity to Maintain Lands to Preserve and/or Enhance BPVs <i>“A finding that the intended donee of such easement or fee simple has the funding and other capacity to maintain that property interest so as to preserve and/or enhance the BPVs thereof;”</i></p>
<p>(5) Analysis of Tax and Other Economic and Physical Impacts <i>“An analysis of tax and other economic and physical impacts of such disposition strategy, and a commitment by an appropriate entity to provide property tax revenue, other equivalent revenue source, or a lump sum payment, so that the totality of dispositions in each affected county under the LCC will be ‘tax neutral’ for that county;”</i></p>
<p>(6) Hazardous Waste Disclosure <i>“A disclosure of all known hazardous waste or substance contamination or other such environmental liabilities associated with each parcel;”</i></p>
<p>(7) Consideration of Parcel Split <i>“Appropriate consideration whether to split any parcel which is partly used or useful for operation of PG&E’s and/or a co-licensee’s hydroelectric facilities, where the beneficial public values of the unused part may be enhanced by such split, provided that it is consistent with Section 12(b)(4) of this Stipulation and that, in the event that governmental approval of a parcel split imposes conditions or restrictions on other PG&E property, the decision to accept or reject such conditions will be at PG&E’s sole discretion;”</i></p>
<p>(8) Strategy for Physical Measures to Enhance BPVs <i>“A strategy to undertake appropriate physical measures to enhance the BPVs of individual parcels; provided that no such measure will be in conflict with the provisions of Settlement Agreement paragraph 17(c) and Appendix E paragraph 1;”</i></p>
<p>(9) Monitoring Plan for the Economic and Physical Impacts of Disposition and Implementation of Enhancement Measures <i>“A plan to monitor the economic and physical impacts of disposition and implementation of enhancement measures on the applicable management objectives;”</i></p>
<p>(10) Implementation Schedule for Transactions and Measures <i>“A schedule for the implementing transactions and measures.”</i></p>

1. Acreage, Existing Economic Uses and Agreements

Acreage and Property Description

2,325 acres in Parcels 699-702 in Humbug Valley, known by the Maidu people as Tásmam Kojóm, will be donated to the MSC and, consistent with the conditions in the Settlement Agreement, the Property will be subject to a perpetual conservation easement granted by the MSC to CDFW and FRLT.

The heart of Tásmam Kojóm is a montane meadow, located at 4,300 feet above mean sea level (msl) in elevation. The meadow is bisected by spring-fed Yellow Creek and a tributary, Humbug Creek, and is surrounded by second-growth mixed conifer and pine stands. The valley is about a seven-mile drive southwest of Lake Almanor and Highway 89 via unpaved roads.

The meadow, springs, streams, and associated riparian area provide a diverse range of habitats for wildlife, fish, and plants. While biological surveys have not been conducted since grazing practices ceased, there is potentially suitable habitat for a variety of special status plant species. Four rare plant species have been recorded in and near the area, and several special status bird species are known to occur in the valley, including breeding willow flycatchers, sandhill cranes, and northern goshawks. Yellow Creek is a CDFW-designated wild trout fishery that is protected by special fishing regulations. Several naturally carbonated soda springs exist on the east side of the valley.

Recreation use of Tásmam Kojóm, primarily angling and camping, is light, but the wild trout fishery is a highly valued resource. PG&E provides 11 campsites at the semi-primitive Yellow Creek Campground. One of the historic potable soda springs, edged with rocks and protected by a wooden shade structure and fence, is the focus of the Soda Springs Historic Site and Day Use Area. The area is also used by hunters, off-highway vehicle (OHV) drivers, and bicyclists. Evidence of unauthorized off-road vehicle use and some impacts to the meadow and cultural sites are apparent; in addition, camping and angling use are causing impacts on the banks and streamside vegetation of Yellow Creek. Two cabins exist on recreational homesite lease lots.

There is one PG&E Timber Management Unit (TMU) within the planning unit, which contains 1,011 acres of timbered land. The TMU is currently managed by PG&E under a Recreation and Sustainable Timber Management prescription, meaning that recreation in this area is compatible with timber management. Forest management in designated recreation areas is limited to fuel reduction, hazard tree removal, and improvement of aesthetics. Outside of designated recreation areas, sustainable timber management is emphasized.

No agricultural activities (farming or grazing) occur within the planning unit, however, the MSC reserves the right to conduct the harvesting of ethnobotanical resources including native plants that are related to the Mountain Maidu traditional culture on the Property.

Tásmam Kojóm contains many widespread and varied historic and cultural resources and is an important location for several Maidu tribes. Pioneer resources include a vacant old cabin along Humbug Road near the center of the valley; the century-old Miller house,

now used as a recreational cabin, on a small in-holding; and a cemetery. The valley also contains Maidu bed rock mortars, soda springs, ceremonial and spiritual sites, a cemetery, and Maidu ethnobotanical resources. The Maidu community is actively using parts of Tásmam Kojóm for ceremonial gatherings.

Adjacent and Nearby Landowners

The parcels subject to donation to the MSC are surrounded by private property and National Forest System lands managed by Lassen National Forest. The parcels are accessed via Humbug Road and USFS roads.

The Stewardship Council notified and invited landowners located within one mile of the subject parcels to provide comment during key phases of the land conservation and conveyance planning process.

Existing Economic Uses and Agreements

There are recorded encumbrances on the property to be donated to the MSC for roads and timber. There are two existing agreements for economic uses (homesite leases) on the property to be donated to the MSC in Parcels 699-702 of the Humbug Valley planning unit.

PG&E's specific reserved rights are set forth in the grant deed and conservation easement, which can be found in Appendices 2 and 3, respectively.

2. Objectives to Preserve and/or Enhance the BPVs

The Land Conservation Commitment provides that “PG&E shall ensure that the Watershed Lands it owns... are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values. PG&E will protect these beneficial public values associated with the Watershed Lands... from uses that would conflict with their conservation. PG&E recognizes that such lands are important to maintaining the quality of life of local communities and all the people of California in many ways, and it is PG&E’s intention to protect and preserve the beneficial public values of these lands under the terms of any agreements concerning their future ownership or management.”¹

The following text lists the objectives for each BPV at the Humbug Valley planning unit that the Stewardship Council board approved in LCP Volume II, as well as a description of how the transaction, as summarized by this LCCP, supports each objective and preserves and/or enhances the BPVs.

The conservation easement will protect the BPVs, subject to PG&E’s hydro and other reserved rights as provided in the conservation easement.

1. Objective: Preserve and enhance habitat in order to protect special biological resources.

The conservation easement (Appendix 3) includes as a BPV the protection of natural habitat for fish, wildlife and plants that are native to the area, including species protected under the California Endangered Species Act and/or the federal Endangered Species Act. The conservation easement gives CDFW certain rights to conduct surveys, studies, and monitoring activities relating to fish, wildlife, and plant species and their habitat. CDFW and other resource professionals will advise MSC on development of the Land Management Plan and CDFW will consult with MSC on amendments to the Land Management Plan.

2. Objective: Preserve open space in order to protect natural and cultural resources and the undeveloped recreation setting.

The conservation easement will ensure that no further development will occur unless specifically authorized by the conservation easement and consistent with the protection of the BPVs. The MSC proposes to maintain the property to be donated without significant modifications to the landscape. The current open space values on the property will remain for the benefit of the public.

3. Objective: Enhance recreational and education opportunities in order to provide outdoor experiences consistent with the special cultural and biological resources present.

The conservation easement includes outdoor recreation such as angling, camping, birding, hiking, and other passive uses as a BPV to be protected. Furthermore, the

¹ Land Conservation Commitment I.02-04-026, Appendix E, p. 38

conservation easement provides that the landowner will allow public access on the property at levels substantially consistent with those existing at the time the conservation easement is recorded, subject to PG&E's Reserved Rights, and the landowners' right to make reasonable rules and regulations. As opportunities arise, MSC plans to enhance recreational uses in compliance with a Land Management Plan to be developed for uses in Tásmam Kojóm in balance with protection and enhancement of the habitat values. MSC will pursue enhancements to the recreational experience as permitted in the conservation easement.

4. Objective: Develop and implement forestry practices in order to contribute to a sustainable forest, preserve and enhance habitat and cultural resources, as well as to ensure appropriate fuel load and fire management.

The current timber management prescription on the acreage proposed for transfer to the MSC is focused on sustainable timber management. The conservation easement will ensure that forest management activities are implemented in accordance with the Forest Management Component of the Land Management Plan, which includes the following goals: to create, manage and preserve a healthy and vigorous forest with sustainable stands of native tree species; to manage the forest to improve resilience to drought and pests; to reduce build-up of fuels that create risks of catastrophic fire; and to create and maintain a full and balanced variety of stand species, ages and characteristics; and to manage the forest to enhance wildlife and fish habitat as determined by the landowner.

5. Objective: Assess the potential use of cattle grazing in order to maintain meadow habitat.

MSC will develop a Land Management Plan to determine if grazing or other agricultural uses would be appropriate and enhance the values of Tásmam Kojóm.

6. Objective: Identify and manage cultural resources, incorporating traditional Native American uses and management of ethnobotanical resources, in order to ensure their protection.

The conservation easement will protect identified historical and cultural values on the Property to the extent they are protected by state and federal law. The conservation easement allows for Traditional Ecologic Knowledge as a primary land management tool to restore and enhance the Property and permits MSC to conduct traditional recreational, spiritual, cultural, and educational activities.

3. Recommendations for Conservation Easement and Fee Simple Donation

The Settlement and Stipulation require that the Watershed Lands: (1) be subject to permanent conservation easements restricting development of the Watershed Lands so as to protect and preserve the BPVs, and/or (2) be donated in fee simple to one or more public entities or qualified nonprofit conservation organizations, whose ownership will ensure the protection of these BPVs.

Conservation Easement

The Settlement Agreement states that “the conservation easements shall provide for the preservation of land areas for the protection of the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values and, shall prevent any other uses that will significantly impair or interfere with those values. Conservation easements on the Watershed Lands will include an express reservation of a right for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any FERC license, FERC license renewal or other regulatory requirements. In addition, conservation easements will honor existing agreements for economic uses, including consumptive water deliveries. The conservation easements shall be donated to and managed by one or more non-profit conservation trustees, qualified conservation organizations or public agencies with the experience and expertise to fully and strictly implement the conservation easements” (Land Conservation Commitment I.02-04-026, Appendix E, pp. 38-39).

For the complete text of the conservation easement, see Appendix 3.

Conservation easements must be donated to nonprofit organizations, Native American tribes, or public agencies that meet the requirements of California Civil Code section 815.3 and possess the experience and capacity to fully and strictly implement the terms of the conservation easement. The California Department of Fish and Wildlife (CDFW) and the Feather River Land Trust (FRLT) will hold the conservation easement over the lands to be donated to the MSC in the Humbug Valley planning unit that are the subject of this LCCP. The qualifications of CDFW and FRLT are described in Chapter 4.

Accordingly, immediately following PG&E's conveyance of the lands to be donated to the MSC in the Humbug Valley planning unit, the MSC will convey the conservation easement to CDFW and FRLT.

Retention or Donation of Fee Title

The Settlement Agreement states that PG&E will not be expected to make fee simple donations of Watershed Lands with hydroelectric project features, and conservation easements and enhancements may not interfere with hydroelectric operations. In general, PG&E will retain fee title to those Watershed Lands within the boundaries of hydroelectric projects licensed by the FERC, as well as other properties required for continuing and future utility operations. However, these Watershed Lands will be

conserved via a conservation easement. See Appendix 6 for a description of PG&E's Land Conservation Commitment.

The 2,325 acres proposed for donation to the MSC in Parcels 699-702 were identified as available for donation, subject to PG&E's reserved rights.

Lands to be Donated by PG&E

2,325 acres within four parcels (699-702) will be donated to the MSC pending CPUC approval of the Section 851 filing for the transaction. The legal description of the parcels is included in the grant deed, which is provided in Appendix 2. The qualifications and capacity of the MSC to manage the Humbug Valley property recommended for donation are described in Chapter 4.

The map provided in Exhibit 1 shows all of the land within Parcels 699-702 in the Humbug Valley planning unit that will be donated. The map also shows key features in the planning unit and surrounding area, and the ownership of adjacent land.

4. Finding of Donee Funding and Other Capacity to Maintain Lands to Preserve and/or Enhance the BPVs

Selected Organizations

At the conclusion of the selection process referenced below, the following organizations were endorsed by the Stewardship Council board on November 14, 2013:

- The Maidu Summit Consortium (MSC) to hold fee simple title to 2,325 acres within Parcels 699-702.
- The California Department of Fish and Wildlife (CDFW) and the Feather River Land Trust (FRLT) to hold a conservation easement over the 2,325 acres to be donated to the MSC in Parcels 699-702.

Capacity of Selected Organizations

The Stewardship Council board finds that the MSC, CDFW and FRLT will have the funding and other capacity to maintain the property interest so as to preserve and/or enhance the BPVs².

A. MSC:

- The MSC is comprised of nine Mountain Maidu tribes with aboriginal ties to the land within the Humbug Valley planning unit, including federally recognized and petitioning tribes, non-profit organizations, and grassroots groups. The group formed in 2003, and has been operating since that time, acquiring 501(c)(3) nonprofit status from the IRS in 2010.
- The mission of the MSC is the “to preserve, protect, and promote the Mountain Maidu Homeland with a united voice. The Summit envisions re-acquired ancestral lands as a vast and unique park system dedicated to the purposes of education, healing, protection, and ecosystem management based upon the Maidu cultural and philosophic perspectives, as expressed through traditional ecology.”
- The MSC Board consists of nine representatives of member organizations and four alternates, and is served by two staff and 13 volunteers.

B. CDFW:

- CDFW owns and manages over 700 properties throughout the state, encompassing 1.1 million acres of land that includes habitat for a rich diversity of fish, wildlife, and plant species. Over 700,000 acres of this total is comprised of 110 State Wildlife Areas that are managed by CDFW.
- CDFW currently holds conservation easements over 156,511 acres of land and has experience co-holding conservation easements with other entities.

² Stipulation, Section 12(a)(4)

- CDFW has been conserving California’s wildlife since 1870 and has statewide and regional specialists in many areas of expertise and could provide technical assistance for land management and enhancement projects at Humbug Valley.

C. FRLT:

- Since 2000, the FRLT has been working to conserve the magnificent lands and waters of the Feather River region.
- The FRLT has successfully protected over 36,000 acres of private lands that support outstanding biodiversity, waterways, fisheries, recreational and educational opportunities, cultural sites, agricultural lands, and spectacular scenery.
- FRLT has a staff of 10 people and a 7 member board of directors.
- FRLT is a nationally accredited land trust.

Donee Selection Process

The Stewardship Council used a formal multi-step process to solicit and select organizations interested in receiving a donation of Watershed Lands or becoming a conservation easement holder at the Humbug Valley planning unit. The process consisted of the following key steps:

- Organizations were invited to register via the Stewardship Council’s Interested Donee Registry and were invited to submit a statement of qualifications (SOQ). The Stewardship Council reviewed the SOQs that were submitted to identify organizations that: (a) were determined to be a qualified nonprofit conservation organization; a federal, state or local governmental entity; or, a recognized tribe; (b) appeared to have sufficient financial and organizational capacity relative to the property interest sought within the planning unit; and, (c) appeared to be capable of satisfying the requirements of the Settlement and Stipulation for receiving a donation of fee title or to hold the conservation easement.
- Organizations interested in a fee title donation were invited to submit a land stewardship proposal (“LSP” or “proposal”) describing their capacity and interest in preserving and enhancing the BPVs. The LSPs were posted on the Stewardship Council’s website. MSC and CDFW submitted LSPs for the Property. Following significant discussion with MSC, CDFW and the Stewardship Council, CDFW identified interest in co-holding the conservation easement over the Property with FRLT instead of fee title, with an additional interest in partnering to conduct studies and monitor habitat, fisheries, and wildlife on the Property.
- Organizations demonstrating sufficient capacity and determined by the Stewardship Council to be best-suited to receive a donation of property interest (fee or conservation easement) in particular Watershed Lands within a planning unit are being recommended to PG&E to receive fee title and/or conservation easements.

5. Analysis of Tax and Other Economic and Physical Impacts

The Stipulation requires that the LCCP provide “an analysis of tax and other economic and physical impacts of such disposition strategy, and a commitment by an appropriate entity [which may be PG&E, subject to being authorized by the Commission to fully recover in rates any such costs in approving PG&E’s Section 851 application or in another appropriate Commission proceeding, Stewardship Council, donee, or a third party, depending on the individual circumstances] to provide property tax revenue, other equivalent revenue source, or a lump sum payment, so that the totality of dispositions in each affected county under this Land Conservation Commitment will be ‘tax neutral’ for that county.”

The following sections address the Stewardship Council’s plan for achieving tax neutrality for Plumas County, the county in which the Property is located. The final LCCP submitted for all PG&E Watershed Lands located in Plumas County will address tax neutrality for the totality of all fee title transfers within the county, as required under the Settlement and Stipulation.

Stewardship Council Board Policies and Guidelines

The Stewardship Council board adopted a set of Guidelines Regarding Satisfaction of Tax Neutrality on March 30, 2011, after an opportunity for public comment. Under the guidelines, the Stewardship Council outlined the following overarching assumptions:

1. The Stewardship Council will address property tax neutrality based upon the most current property taxes paid by PG&E on the lands being transferred at the time of the actual transfer of fee title from PG&E to the selected donee.
2. The Stewardship Council’s achievement of property tax neutrality applies to all property taxes that would be distributed directly to County General Funds, School and Fire Districts, Regional Conservation and Water Districts, and any other special districts as defined by the applicable Tax Rate Area.
3. The Settlement and Stipulation direct the Stewardship Council to ensure that the effects of distributions be made tax neutral for the affected counties. Therefore, the Stewardship Council’s property tax neutrality commitment will not apply to any amount of property tax payments that are subject to apportionment by the State of California.

On June 27, 2012, the Stewardship Council board approved an amendment to the property tax neutrality methodology it had adopted on May 2, 2012, after an opportunity for public comment and specific outreach to all potentially affected counties. The methodology establishes a standard payment process when lands are transferred to organizations that are exempt from paying property taxes (see Appendix 5).

On August 14, 2014, the California Public Utilities Commission approved Resolution E-4644. The resolution states that the Commission endorses the Guidelines Regarding Satisfaction of Tax Neutrality and the Property Tax Neutrality Methodology adopted by the Stewardship Council.

As of November 15, 2017, the Stewardship Council board approved further revisions to the property tax neutrality methodology. The revisions established that the County will receive a one-time lump sum payment allocated based upon the applicable Tax Rate Area at the time of the payment. Counties and special districts would then be free to determine the best use of the funds pursuant to the needs of the county or special district, including, if desired investment in a shared investment pool of the county's choosing.

Achieving Property Tax Neutrality

The Stewardship Council will provide funding to satisfy property tax payments in perpetuity for the Property. After the CPUC has approved the fee title donation of the Property, Plumas County will receive a lump sum payment of approximately \$424,530. Based on the tax tables, which are current as of the date of this LCCP, the transfer of lands to the MSC is anticipated to result in the reduction of approximately \$16,981 in annual taxes paid to Plumas County (as shown in Table 2 below). If assessed values on the lands recommended for donation change prior to the transfer of the property, the Stewardship Council will revise the payment calculation.

Table 2: Property Tax Detail

Parcel ID	SBE Map Number	Taxes on Acres Transferred
699	135-32-1-1, 135-32-1-5, 135-32-3A-1	\$12,027
700	135-32-1-4, 135-32-1-5, 135-32-1-6	\$4,593
701, 702	135-32-1-3, 135-32-1-4	\$361

Upon receipt of a lump sum payment, Plumas County would, in-turn, be required to distribute the funds to the general fund and applicable special districts consistent with the Tax Rate Area in effect for the parcel.

Other Economic and Physical Impacts

The Settlement and Stipulation require an analysis of the physical and economic impacts of each fee title transfer. The transaction agreements for the donation of 2,325 acres within the Humbug Valley planning unit have not mandated any changes to the physical or economic uses of the lands. The MSC intends to manage the lands in a manner consistent with the current physical and economic uses of the lands. No new activities are proposed that will result in physical impacts.

6. Hazardous Waste Disclosure

The Stipulation states that in the transfer of fee title and conveyance of a conservation easement, PG&E will disclose all known hazardous waste, substance contamination, or other such environmental liabilities associated with each parcel and hold the donee harmless.

Lands to be Donated by PG&E

PG&E has provided the Humbug Valley Environmental Site Assessment Report, prepared by AMEC Geomatrix, Inc., dated June 21, 2010 was mailed to MSC, FRLT and CDFW fulfilling the disclosure requirements of the Land Conservation Commitment. Additional Due Diligence Information entitled Soil Removal Work Plan, PG&E, Humbug Valley Cabins, Plumas County, CA, prepared by Jacobson and James Associates, August 24, 2015, was mailed to MSC on October 28, 2015.

Environmental Agreement

Pending CPUC approval of the transaction, PG&E will execute Environmental Agreements with the MSC, CDFW and FRLT, satisfying the requirements of Section 12(f) of the Stipulation.

7. Consideration of Parcel Split

PG&E will transfer 2,325 acres within Parcels 699-702 of the Humbug Valley planning unit in their entirety to MSC. Therefore, there is no need for a parcel split.

8. Strategy for Physical Measures to Enhance the BPVs

The Stewardship Council developed and implemented a strategy to identify and undertake appropriate physical measures to enhance the BPVs of the Watershed Lands consistent with Settlement Agreement paragraph 17(c)³ and Appendix E, paragraph 1.

During the preparation of Volume II of the LCP, a number of potential physical enhancement measures to preserve and/or enhance the BPVs were identified. These measures were identified with public input and were intended to be illustrative in nature and subject to change over time in coordination with the future landowner.

The Stewardship Council has developed a grant program that will fund selected enhancements on the Watershed Lands. It is anticipated that grant funding will be available to accomplish future projects that enhance one or more of the six Beneficial Public Values. Projects may include habitat restoration or physical measures such as developing trails, day use areas, and other public access improvements.

³ Settlement Agreement Paragraph 17(c) states, “PG&E shall fund PG&E Environmental Enhancement Corporation with \$70 million in Cash to cover administrative expenses and the costs of environmental enhancements to the Watershed Lands... provided that no such enhancement may at any time interfere with PG&E’s hydroelectric operations maintenance or capital improvements.”

9. Monitoring Plan for the Economic and Physical Impacts of Disposition and Implementation of Enhancement Measures

The Stipulation requires that the LCCP outline a plan to monitor the economic and physical impacts of disposition and implementation of enhancement measures.

The conservation easement holder is required to monitor every conservation easement that it holds to ensure that the landowner is complying with the terms of the easement. The Stewardship Council will enter into a Conservation Easement Funding Agreement (Appendix 4) with each conservation easement holder whereby the holder will receive a monitoring and enforcement endowment from the Stewardship Council to fund its monitoring activities.

To further meet the requirement of monitoring the economic and physical impacts, the Stewardship Council will enter into an agreement with the Sierra Nevada Conservancy (SNC), a state agency, whereby the agency will agree to undertake certain duties designed to monitor the impacts of PG&E's Land Conservation Commitment.

When the Stewardship Council has completed its work, it will be dissolved. Prior to its dissolution, the Stewardship Council expects to prepare a report providing an assessment of any economic and physical impacts resulting from the Land Conservation Commitment as of that time. Stewardship Council's close-out report will include, among other things, the following information:

- How the property tax neutrality requirement was satisfied with regard to each parcel donated to a tax exempt organization.
- A report regarding the enhancements that were funded by the Stewardship Council.

It is anticipated that several years after the dissolution of the Stewardship Council, SNC will prepare a report assessing the physical and economic impacts of the Land Conservation Commitment up until that time. The report is expected to cover the following topics:

- Impact of the Land Conservation Commitment on agreements for economic uses.
- Changes in entities holding conservation easements or fee title.
- Performance of duties by conservation easement holders.

In addition to preparing an assessment report, which will be submitted to the CPUC and PG&E, SNC will serve as a public repository for key transaction documents and other documents pertaining to the Land Conservation Commitment through June 2025.

10. Implementation Schedule for Transactions and Measures

Schedule for Transaction

- CPUC review and approval (2018)
- Close of escrow (2019)
- Stewardship Council release of funds to FRLT per conservation easement funding agreement (2019)

Compliance with Local Land Use Planning Requirements

Future management of the donated property at the Humbug Valley planning unit is anticipated to comply with all applicable County ordinances, General Plan policies, and state law.

Appendix 1: Summary of Public Outreach

SUMMARY OF PUBLIC OUTREACH PROGRAM

The Stewardship Council established a comprehensive public outreach program to both inform and solicit input from the public on the development and implementation of a plan to permanently protect over 140,000 acres of PG&E watershed lands. A variety of tools and techniques are used to engage the public, including:

- Stewardship Council Website: the website provides background information on the land conservation program and is regularly updated with board meeting agendas and minutes, proposed recommendations, and other announcements.
- Stakeholder Database and E-mailing: regular e-mail notifications are sent directly to individuals and organizations that have signed-up to receive e-mails. The e-mails provide updates on the status of the land conservation program, including pending actions by the board and upcoming public meetings.
- Targeted Newspaper Noticing and Paid Advertisements: newspaper advertisements and notices are placed in local newspapers circulated in the area where a board or public meeting is taking place or in communities that may have an interest in a particular topic on an upcoming meeting agenda.
- News Releases: news releases are issued to statewide and local media outlets at key intervals during the planning process.
- Public Information Meetings and Workshops: public information meetings and workshops are conducted throughout the watershed lands to provide updates and solicit input from interested stakeholders on the land conservation program and individual planning units. In many workshops, public comments were sought on potential measures to protect and enhance the beneficial public values on specific lands as well as the desired qualifications of potential donee organizations. Individuals and organizations unable to attend are provided an opportunity to submit comments in writing and review meeting summaries posted on the web site.
- Notice by Mail of Pending Decisions Regarding the Conveyance of Individual Parcels and Invitation to Comment:
 - Noticing of Affected Governmental Entities: prior to the Watershed Planning Committee forwarding a recommendation to the board that a proposed Land Conservation and Conveyance Plan (LCCP) be adopted by the board, a notice will be mailed to the Board of Supervisors of the affected county; each affected city, town, and water supply entity; and each affected tribe.
 - Noticing of landowners: postcards or letters are sent to all landowners located within one mile of lands that are the subject of a proposed LCCP prior to the Watershed Planning Committee forwarding a recommendation to the board that the proposed LCCP be adopted by the board.
- Individual Meetings with Stakeholders: Over the course of the preparation of Volumes I and II of the Land Conservation Plan (LCP) and the LCCP, Stewardship Council staff met, and communicated via the telephone and email, with a number of stakeholders interested in the Watershed Lands.

Appendix 1: Summary of Public Outreach

- The Stewardship Council Board of Directors meets five to six times per year, typically on a bimonthly schedule. At the board meetings, the public is invited to directly address the board on an agenda item or on any other matter. The meetings have been held at locations in northern and central California and across the watershed lands to help facilitate public participation. Agendas are available one week prior to meetings, and meeting minutes are posted on the Stewardship Council public website approximately three weeks following those meetings.

HUMBUG VALLEY PLANNING UNIT PUBLIC OUTREACH

Highlighted below are the opportunities that have been, or are being, provided for public input on key documents and decisions concerning the Humbug Valley planning unit and the land conservation and conveyance process.

I. PUBLIC REVIEW OF VOLUMES I AND II OF THE LCP

The Draft Land Conservation Plan Volumes I and II were released in June 2007 for a 60-day public comment period. During this time, the Stewardship Council held ten public meetings to publicize the availability of the Draft LCP and to encourage public comment. These meetings were advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the Stewardship Council's web site, a press release issued to local newspapers, a paid advertisement in local papers, and a postcard sent to all landowners on record that reside within one mile of any PG&E parcel. Comments were received via email, the website, and hardcopy letters. The comments were reviewed, and responded to individually; and the text in the draft LCP was revised as appropriate.

A total of thirty four public comments were submitted concerning the Humbug Valley planning unit during public review of Volumes I and II of the LCP. The public comments focused on support for California Department of Fish and Wildlife or Maidu Summit Consortium as stewards of the land, and also raised minor management issues.

II. NOTICING OF LANDOWNERS WITHIN ONE MILE

In the fall of 2006 a postcard was distributed to the approximately 26,000 landowners located within one mile of the exterior boundary of all the parcels to notify and invite comment on Volume I and II of the LCP. A postcard was also sent to notify and invite all landowners located within one mile of the parcels within the Humbug Valley planning unit to a Public Information Meeting that was held in Chester in 2009. In addition, simultaneous with the release of the proposed subject LCCP for public comment, adjacent landowners located within one mile of the subject parcels are noticed by mail 30 days before the Watershed Planning Committee considers forwarding the proposed subject LCCP to the board for final approval.

III. PUBLIC INFORMATION MEETING

A Public Information Meeting workshop for several planning units in the Feather River Watershed Area was hosted by the Stewardship Council on October 22, 2009, in Chester, California. The meeting concerned four planning units: Butt Valley Reservoir, Humbug Valley, Lake Almanor, and Mountain

Appendix 1: Summary of Public Outreach

Meadows Reservoir. Attendees at the workshop included a total of 61 individuals representing a wide variety of interests including local and federal governments, community organizations, and community members. The meeting was advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the Stewardship Council's web site, a press release issued to the local newspaper, and a postcard sent to all landowners on record located within one mile of any PG&E parcel associated with the Humbug Valley planning unit.

The purpose of the workshop was to: (1) provide a review and update on the Stewardship Council's Land Conservation Program; and, (2) solicit additional public input on future stewardship of the four planning units. Stations were set up with maps, other pertinent information, and easels with blank paper. During the meeting, participants were invited to provide comments at the four planning unit stations, focusing on two topics: the potential priority measures proposed for the above listed planning units, and important qualifications of future land owners and conservation easement holders. Below is a summary of the notes that were recorded on flip-charts for the Humbug Valley Planning Unit.

Humbug Valley Planning Unit

Important qualifications of future landowners and conservation easement holders

- Donee should honor leases in perpetuity (current lessees are stewards of the land)
- Collaborative with different organizations (multiple fee-title donees)
- Local people [should be] given priority (e.g., Maidu) over federal government (e.g., Forest Service) for fee title
- A donee who will preserve the Cowboy Cabin
- Consult with locals on historic/cultural preservation

IV. PUBLIC REVIEW OF LAND STEWARDSHIP PROPOSALS

In November 2010, the Stewardship Council received two Land Stewardship Proposals from organizations interested in being considered for a donation of fee title to certain lands located within the Humbug Valley planning unit. The Maidu Summit Consortium and the California Department of Fish and Wildlife prepared and submitted proposals. Each of the organizations prepared and submitted its proposal which was posted on the Stewardship Council's website for public review and comment, and an e-mail was sent to contacts in the Stewardship Council's database to notify them of the postings.

V. PUBLIC REVIEW OF LAND CONSERVATION PROGRAM POLICIES & GUIDELINES

Public comment was sought on policies and guidelines that helped inform the Stewardship Council's land conservation and conveyance process. These documents were provided to the public in advance of being reviewed and endorsed by the Watershed Planning Committee or Fiduciary Committee and forwarded to the board for review and consideration.

Land Conservation Program Funding Policy

The Stewardship Council created a Land Conservation Program Funding Policy to help guide future planning and decision-making regarding funding of the long term management and stewardship of the

Appendix 1: Summary of Public Outreach

watershed lands. In June and July, 2009, the draft policy was posted on the Stewardship Council's web site and made available for review and comment to a group of stakeholders consisting of all registered potential donees and representatives of the counties in which the watershed lands are located. Two comments were received during the 30-day review and comment period. Both comments were reviewed, and it was determined that neither comment necessitated a change in the draft policy. The Stewardship Council's Board of Directors adopted the policy at a public board meeting in Sonora, Calif. on September 17, 2009.

Guidelines for Achieving Property Tax Neutrality

The Stewardship Council created guidelines for achieving property tax neutrality to describe scenarios when the Stewardship Council will make property tax payments to affected counties as in lieu payments for property taxes that are lost due to the donation of PG&E watershed lands to an entity that is exempt from paying property taxes. The guidelines also defined a set of overarching assumptions regarding property tax neutrality payments. The draft guidelines were posted on the Stewardship Council's web site in December 2010. A notice inviting review and comment on the guidelines was sent to the Stewardship Council's stakeholder database. Additional targeted outreach was performed to inform the affected counties. Nine comments were received during the 60-day review and comment period. After consideration of public comments, the Stewardship Council Board adopted a set of guidelines at its public board meeting on March 30, 2011.

Proposed methodology for achieving tax neutrality

The proposed methodology for achieving tax neutrality on donated lands was e-mailed to all land stakeholders and posted on Stewardship Council's website for public review and comment on January 9, 2012. The deadline for submission of comments was March 9, 2012. The Stewardship Council received one request to extend this deadline, which was granted. By the new deadline March 30, 2012, six comments were received. Upon consideration of the comments received, the Stewardship Council board deferred adoption of the full methodology until the June 27, 2012 board meeting so that the affected counties could be notified of the proposed change to the capitalization rate. No comments were received on the revised capitalization rate. The revised methodology was adopted by the board at its June 27, 2012 meeting.

VI. WATERSHED PLANNING COMMITTEE RECOMMENDATIONS OF FEE TITLE AND CONSERVATION EASEMENT DONEES

Staff recommendations for prospective fee title donees and conservation easement holders that are endorsed by the Watershed Planning Committee are posted on the Stewardship Council's website for public review and comment. The proposed board action is noticed via an e-mail sent to contacts in the Stewardship Council's database. In addition, public board meetings are advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the Stewardship Council's web site, a press release issued to local papers, and an advertisement placed in local newspapers in the area where a board or public meeting is taking place or in communities that may have an interest in a

Appendix 1: Summary of Public Outreach

particular topic on an upcoming meeting agenda. The board action taken is also noted in the meeting minutes that are posted on the Stewardship Council's website following each meeting.

All public comments received by staff concerning the fee and conservation easement recommendations at the Humbug Valley planning unit were provided to the board for consideration at the relevant public board meetings.

VII. PUBLIC REVIEW OF THE LAND CONSERVATION AND CONVEYANCE PLANS

The public is provided an opportunity to review and comment on the proposed Land Conservation and Conveyance Plans (LCCPs), and the comments received are shared with board members prior to the Watershed Planning Committee's forwarding the proposed LCCP to the board for its review and approval. The 30-day public review and comment periods are announced via an e-mail sent to contacts in the Stewardship Council's database, a posting on the Stewardship Council's web site, and an advertisement placed in local newspapers in communities that may have an interest in a particular planning unit. A notice inviting review and comment on the proposed LCCP is also sent to all landowners on record located within one mile of the subject PG&E parcels and to PG&E leaseholders. In addition, a notice is mailed to the board of supervisors of the affected county; each affected city, town, and water supply entity; and each affected tribe and/or co-licensee. After receiving public comment, the Watershed Planning Committee may make revisions to a proposed LCCP prior to forwarding a recommendation to the board.

VIII. STEWARDSHIP COUNCIL BOARD OF DIRECTORS MEETINGS

Proposed LCCPs endorsed by the Watershed Planning Committee are posted on the Stewardship Council's website for additional public review and comment approximately 30 days prior to being considered by the board at a public board meeting. The posting of proposed LCCPs is advertised via an e-mail sent to contacts in the Stewardship Council's database. In addition, public board meetings are advertised via an e-mail sent to contacts in the Stewardship Council's database, an announcement posted on the Stewardship Council's web site, a press release issued to local papers, and an advertisement placed in local newspapers in the area where a board or public meeting is taking place or in communities that may have an interest in a particular topic on an upcoming meeting agenda. The board action taken is noted in the meeting minutes that are posted on the Stewardship Council's website following each meeting.

All public comments received will be provided to the board. There is also an additional opportunity for public comment at the public board meeting when the board considers approval of the proposed LCCP. Adoption of an LCCP by the board would be the final step in the Stewardship Council's process for selecting donees. The prospective donees are responsible for securing its own internal approvals prior to the transaction being completed. Transactions will be finalized upon LCCP review and transaction approval by the California Public Utilities Commission.

Appendix 2: Grant Deed

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177

Location: City/Uninc _____
Recording Fee \$-0- (Gov. Code §27383)
Document Transfer Tax \$ -0- (R & T Code §11922)

Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD {PG&E TO FILL IN}

DEED

GRANT DEED AND RESERVATION OF RIGHTS AND EASEMENTS

I. CONVEYANCE OF FEE

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called Grantor, hereby grants, without warranty express or implied, to the **MAIDU SUMMIT CONSORTIUM**, a California nonprofit public benefit corporation, hereinafter called Grantee, the real property ("**Property**"), situated in the unincorporated area of the County of Plumas, State of California, described on Exhibit A hereto.

(SBE #135-32-1-1; 135-32-1-4; 135-32-1-5; 135-32-3A-1; 135-32-1-4; 135-32-1-5; 135-32-1-6; 135-32-3A-1; 135-32-1-3; and 135-32-1-4).

In connection with such grant, Grantor and Grantee have agreed, for good and valuable consideration, that Grantor shall reserve certain easements and rights as more fully described in Section III below.

II. RECITALS

A. Grantor is a party to that certain Settlement Agreement ("**Settlement Agreement**") as modified and approved by the Public Utilities Commission of the State of California ("**CPUC**") in its Opinion and Order of December 18, 2003 (Decision 03-12-035).

B. In furtherance of the Settlement Agreement, and to provide additional detail regarding the implementation of the "Land Conservation Commitment" (defined below), the parties to the Settlement Agreement and other interested parties entered into that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 ("**Stipulation**").

Appendix 2: Grant Deed

C. The Settlement Agreement and the Stipulation (collectively, “**Governing Documents**”) require Grantor to ensure that approximately 140,000 acres of watershed lands, all owned by Grantor (collectively, “**Watershed Lands**”), including the Property, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of Grantor to convey fee interests and/or conservation easements and protect such beneficial public values on the Watershed Lands, as well as certain other obligations related thereto, are set forth in detail in Appendix E of the Settlement Agreement (as further explicated in Section 12 of the Stipulation), and are defined therein as the “**Land Conservation Commitment.**”

D. Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (“**Stewardship Council**”) was created to oversee and carry out the Land Conservation Commitment. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California (“**Land Conservation Plan**” or “**LCP**”). The LCP includes, among other things, objectives to preserve and/or enhance the beneficial public values identified on each parcel of Watershed Lands.

E. Grantor has used and continues to use the Property for the purposes of complying with the requirements of the Rock Creek Cresta Settlement Agreement for FERC Project #1962. FERC Project #1962 governs the Grantor’s activities generating and transmitting hydroelectric energy, managing and monitoring the flow of water over the existing waterways for consumptive and non-consumptive uses, conducting various biological and land use studies mandated by the Federal Energy Regulatory Commission (“**FERC**”) and for other purposes as described more fully in Section III below (collectively, “**Hydro Project Activities**”). As used herein, “**Hydroelectric Facilities and associated Water Delivery Facilities**” refers to those existing and future facilities, structures and improvements now or hereafter located on, above, or under the Property, that are associated with the Hydro Project Activities, as described more fully in Section III below.

F. Consistent with the terms of the Governing Documents, Grantor and Grantee acknowledge this conveyance, together with the conservation easement transaction being entered into by Grantee and Feather River Land Trust and California Department of Fish and Wildlife concurrently herewith, is being made in the public interest with the intent to ensure the permanent protection of the beneficial public values on the Property as identified in the LCP and the conservation easement being entered into while allowing the ongoing use of the Property by Grantor for Hydro Project Activities, and acknowledging and honoring any existing third party uses.

III. RESERVATION OF RIGHTS AND EASEMENTS

1. Reserved Rights and Reserved Easements. Grantor expressly reserves the right to engage in or invite or permit others to engage in the activities and uses set forth below (collectively, the “**Reserved Rights**”) as Grantor may determine, in Grantor's sole discretion exercised in good faith, is required for Grantor’s continued Hydro Project Activities, including the continued

Appendix 2: Grant Deed

operation and maintenance of Hydroelectric Facilities and associated Water Delivery Facilities, together with the easements set forth in this Section III as reasonably necessary or appropriate for the exercise of the Reserved Rights (“**Reserved Easements**”). Whenever reasonably practical, Grantor will use reasonable efforts to notify and consult with Grantee in advance of the exercise of the Reserved Rights and Reserved Easements, and use reasonable efforts to employ methods and practices that will not significantly impair the beneficial public values of the Property. The Reserved Rights and Reserved Easements are as follows:

(a) Grantor reserves, for its beneficial uses, all riparian water rights inherent in and part and parcel of the Property; all prescriptive surface water rights; and all other right, title and interest of any nature whatsoever in and to the surface waters and the subterranean streams flowing through known and definite channels which are now or hereafter located or flowing upon, under or abutting the Property, including but not limited to all rights to take, divert and appropriate all such waters in accordance with applicable law (collectively, the “**Reserved Water Rights**”). Notwithstanding the previous sentence, Grantee may use reasonable amounts of water on the Property for activities solely intended to preserve and enhance the beneficial public values, including but not limited to meadow restoration and streamcourse habitat improvement, provided such activities are conducted in accordance with applicable law. Such use by Grantee may be conducted without notice to Grantor.

(b) Grantor reserves the right to comply with the requirements of the Rock Creek Cresta Settlement Agreement for FERC Project #1962 including improvements, land alteration, revegetation, and any and all activities necessary to comply with the Rock Creek Cresta Settlement Agreement. In furtherance of and without in any way limiting the generality of the foregoing, the following rights are expressly reserved:

- (1) The right to conduct any and all uses and activities now or at any time in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith; and
- (2) The right to use, maintain, establish, construct, alter, expand and improve water sources, courses, and bodies within the Property, and to take, divert and appropriate water.

The reservation of rights under this Section III (b) shall terminate upon the Grantor's satisfactory fulfillment of its obligations related to the Property under the Rock Creek Cresta Settlement Agreement, as evidenced by an amendment of the Rock Creek Cresta Settlement Agreement addressing such obligations.

(c) Grantor reserves the right to conduct any and all uses and activities currently or in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith to comply with any applicable FERC license or other regulatory or legal requirements, including any amendments thereto and replacements thereof, and with applicable regulations and orders of the FERC or other regulatory agencies; and

(d) Grantor reserves the right to conduct any and all uses and activities now or at any time hereafter deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in

Appendix 2: Grant Deed

good faith to comply with the Federal Power Act (Title 16 United States Code, Chapter 12) and any successor statute.

(e) Grantor further reserves to itself the following permanent rights and easements with respect to the foregoing Reserved Rights and Reserved Easements:

(1) the right of ingress to and egress over and across the Property by means of the existing road and/or any replacement or relocation thereof by Grantee, otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to Grantee and to use said roads, lanes, or routes to provide access to any of Grantor's easements and facilities on lands adjacent to the Property;

(2) the right to install, maintain and use gates at Grantor's sole expense at all fences which now or shall hereafter cross the Property; and

(3) the right to mark the location of the Reserved Easements areas by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantee shall make of said easement areas.

2. Required Exercise. An exercise of Grantor's Reserved Rights shall be "required" (as used in the preceding Section III.1) where Grantor determines in its sole discretion exercised in good faith that such exercise is necessary to fulfill requirements or directives of any one or more of the following: (a) the CPUC or the FERC; (b) other local, state or federal governmental entities; (c) any applicable law, ordinance, rule or regulation of any local, state or federal governmental entity; (d) any third party agreement entered into by Grantor in good faith or by which Grantor is bound; or (e) professional engineering and design standards governing the ownership, maintenance, and/or operation of the Hydroelectric Facilities and associated Water Delivery Facilities.

IV. TERMS OF GRANT

The conveyance by Grantor to Grantee pursuant to this Grant Deed and Reservation of Rights and Easements ("**Grant Deed**") is subject to: (a) a lien securing payment of real estate taxes and assessments; (b) applicable zoning and use laws, ordinances, rules and regulations of any municipality, township, county, state or other governmental agency or authority; (c) all matters that would be disclosed by a physical inspection or survey of the Property or that are actually known to Grantee; and (d) all contracts, leases, licenses, covenants, conditions, easements, restrictions, liens, encumbrances and other exceptions that are recorded or unrecorded.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the Property. All future conveyances of the fee interest in the Property shall be consistent with the terms of the Governing Documents.

Appendix 2: Grant Deed

VI. MISCELLANEOUS

- (a) If any provision of this Grant Deed shall be unenforceable or invalid, the same shall not affect the remaining provisions hereof and to this end the provisions hereof are intended to be and shall be severable.
- (b) The real property hereby conveyed is no longer necessary or useful to Grantor in the performance by it of its duties to the public.
- (c) The California Public Utilities Commission, in Decision No. _____, has approved transfer of the Property under State of California Public Utilities Code Section 851.
- (d) This Grant Deed may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- (e) The Recitals in Section II above are hereby incorporated into this Grant Deed.

[SIGNATURES FOLLOW ON NEXT PAGE]

Appendix 2: Grant Deed

IN WITNESS WHEREOF, Grantor has duly executed and delivered this Grant Deed and Reservation of Rights and Easements as of _____.

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

Its: _____

Grantee accepts, acknowledges, and agrees to the terms of this Grant Deed.

GRANTEE:

MAIDU SUMMIT CONSORTIUM,
a California nonprofit public benefit corporation

By: _____

Print Name: _____

Its: _____

Appendix 3: Conservation Easement

RECORDING REQUESTED BY AND)	Exhibit Draft 3.27.2017
WHEN RECORDED MAIL TO:)	
)	
Feather River Land Trust)	
Attn: Paul Hardy, Executive Director)	
P.O. Box 1826)	
75 Court Street)	
Quincy, CA 95971)	
)	
State of California)	
Wildlife Conservation Board)	
1807 13th Street, Suite 103)	
Sacramento, CA 95811)	

Space Above Line for Recorder's Use Only

CONSERVATION EASEMENT DEED

THIS CONSERVATION EASEMENT DEED ("Conservation Easement") is made as of _____, 20____ ("Effective Date"), by MAIDU SUMMIT CONSORTIUM, a California nonprofit public benefit corporation ("MSC" or "Grantor"), in favor of FEATHER RIVER LAND TRUST, a California nonprofit public benefit corporation ("FRLT" or "Grantee") and THE STATE OF CALIFORNIA, acting by and through its Department of Fish and Wildlife ("CDFW" or "Grantee") (FRLT and CDFW are collectively referred to as "Grantees") (MSC, CDFW, and FRLT are sometimes referred to herein individually as "Party" and collectively as "Parties"), with reference to the following facts, circumstances, and terms:

RECITALS

A. **The Property.** Grantor is the fee title owner of certain real property ("Property") containing approximately 2,325 acres in Humbug Valley, known by the Maidu people as Tàsman Kojòm and located in the County of Plumas, State of California. The Property is legally described and depicted in **Exhibit A** attached hereto and incorporated herein by this reference.

B. **FRLT's Nonprofit Status.** FRLT is a California nonprofit public benefit corporation, exempt from federal income taxation under sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986, as amended ("IRC"), and qualified to acquire and hold conservation easements pursuant to California Civil Code section 815.3. FRLT is dedicated to conserving the land and waters of the Feather River

Appendix 3: Conservation Easement

region and stewarding its ecological, cultural, and educational values for current and future generations.

C. **CDFW's Status.** The State of California recognizes the public importance and validity of conservation easements in California Civil Code section 815 *et seq.* CDFW has jurisdiction, pursuant to California Fish and Game Code section 1802, over the conservation, protection, and management of fish, wildlife, native plants and the habitat necessary for biologically sustainable populations of those species. CDFW is authorized to hold conservation easements for these purposes pursuant to California Civil Code section 815.3, California Fish and Game Code section 1348, and other provisions of California law.

D. **Grantor's Status.** The Property is owned in fee by MSC, a California nonprofit public benefit corporation exempt from federal income taxation under IRC section 501(c)(3). MSC is composed of representatives from exclusively Mountain Maidu groups. MSC is dedicated to land and water protection and stewardship throughout the Maidu homeland, in accordance with principles of Traditional Ecological Knowledge ("TEK"). TEK is the accumulation of thousands of years of understanding the interactions of people and the natural environment, gained by native people with intimate knowledge of their local environment, who depended on the sustainable use and management of natural resources for their survival. TEK is handed down through generations by cultural transmission. TEK is adapted to changing conditions in order to maintain historic continuity of resource use and protection.

E. **Transfer of Property to MSC.** Pacific Gas and Electric Company, a California corporation ("PG&E"), transferred to MSC the fee interest in the Property in accordance with that certain Grant Deed, being recorded in the Official Records of the County of Plumas, immediately prior to the recording hereof ("Grant Deed"), attached hereto as **Exhibit B** and incorporated herein by reference, subject to: (1) PG&E's reservation of certain rights in and to the Property, as set forth in the Grant Deed ("PG&E Reserved Rights"); and (2) those legally-enforceable third-party rights to use the Property in effect as of the effective date, as listed on **Exhibit C** attached hereto and incorporated herein by this reference, true and complete copies of which have been provided to, and reviewed and accepted by, Grantees ("Express Third-Party Uses").

F. **Grantor's Relationship to the Property.** The mission of the Grantor is to contribute to the understanding and management of the Earth according to Mountain Maidu TEK and practices by supporting and enhancing Maidu cultural and physical connections to land and water. Grantor asserts that protection of the Conservation Values (as defined below), as required by this Conservation Easement, is consistent with traditional Maidu land management practices and principles. Grantor acquired the Property for the purpose of re-establishing a permanent place where Maidu cultural practices; traditional Maidu land management; and preservation, enhancement and restoration of native plant, fishery and wildlife habitats will be carried out.

Appendix 3: Conservation Easement

G. **Governing Documents.** PG&E transferred fee title to the Property to MSC in connection with PG&E's implementation of the "Land Conservation Commitment," provided for in the following documents (collectively, "Governing Documents,") and described more fully below: (i) that certain Settlement Agreement as modified and approved by the Public Utilities Commission of the State of California in its Opinion and Order of December 18, 2003 (Decision 03-12-035); and (ii) that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 ("Stipulation").

H. **Beneficial Public Values.** The Governing Documents require PG&E to ensure that approximately 140,000 acres of watershed lands, all located in California and owned by PG&E as of the date the Governing Documents were entered into (collectively, "Watershed Lands"), are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values (collectively, "Beneficial Public Values"). The Property is included in these Watershed Lands. The Stipulation provides that conservation easements will preserve or enhance reasonable public access. The Land Conservation Commitment constitutes the obligations of PG&E to convey fee title and conservation easements to Watershed Lands, and to protect the Beneficial Public Values of the Watershed Lands, as well as certain other obligations related thereto, as set forth in detail in the Governing Documents.

I. **The Property's Beneficial Public Values.** The Property includes the specific Beneficial Public Values identified on **Exhibit D** attached hereto and incorporated herein by this reference (collectively, "Conservation Values").

J. **PG&E Reserved Rights.** In accordance with the Governing Documents, the PG&E Reserved Rights constitute an express reservation in favor of PG&E of certain rights to continue operation and maintenance of hydroelectric facilities and associated water delivery facilities, including, project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any Federal Energy Regulatory Commission license or license renewal or other regulatory requirements.

K. **Continued Economic Uses.** The Governing Documents also include a requirement that conservation easements encumbering Watershed Lands honor existing agreements for economic uses, including consumptive water deliveries.

L. **Land Conservation Commitment.** Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California nonprofit public benefit corporation ("Stewardship Council"), was created to oversee and carry out the Land Conservation Commitment. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California ("Land Conservation Plan"). The Land Conservation

Appendix 3: Conservation Easement

Plan includes, among other things, objectives to preserve and/or enhance the Beneficial Public Values identified on each parcel of Watershed Lands, including the Property.

M. **California Civil Code Section 815 et seq.** The Legislature of the State of California, as set forth in California Civil Code section 815 *et seq.*, has found and declared it to be the public policy and in the public interest of this State to encourage the preservation of land predominantly in its natural, scenic, agricultural, historical, forested, or open-space condition. In furtherance of the Land Conservation Commitment and the above-described public policy purposes, Grantor desires to grant a conservation easement over the Property to Grantees.

N. **Preservation and Protection in Perpetuity.** Grantor and Grantees each desire through this Conservation Easement to ensure the permanent protection of the Conservation Values on the Property, subject to PG&E's Reserved Rights and the Express Third-Party Uses. Specifically, the parties desire to ensure that the Conservation Values on the Property will be preserved and protected in perpetuity as provided herein, and that uses of the Property that are inconsistent with these Conservation Values will be prevented or corrected.

GRANT OF CONSERVATION EASEMENT AND AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to California law, including California Civil Code section 815, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantees a conservation easement in perpetuity over the Property, subject to and in accordance with the terms, covenants, and conditions of this Conservation Easement.

1. **Conservation Purposes.** The purposes of this Conservation Easement are to protect and preserve in perpetuity the Conservation Values of the Property by restricting any use of the Property that will significantly impair the Conservation Values ("Conservation Purposes"). Subject to the following terms and conditions, Grantor intends that it will use the Property in accordance with Maidu land management principles and practices based on TEK and that it will confine uses of the Property to activities that are consistent with the Conservation Purposes and the terms of this Conservation Easement. As used herein, the terms "impair" or "impairment" means to diminish in quantity, quality, value, strength or viability. As used in this Conservation Easement, the terms "significant" or "significantly", when used with "impair" or "impairment", respectively, mean a greater than negligible adverse impact or an impact for more than a transient period.

Grantor and Grantees acknowledge that the Governing Documents reflect the intention of the parties thereto (a) to honor Express Third-Party Uses and (b) to continue to permit beneficial uses of the Property that preserve and/or enhance the Conservation

Appendix 3: Conservation Easement

Values. It is intended that this Conservation Easement shall allow uses on the Property that are consistent with the protection and preservation of each of the Conservation Values in harmony with each other. While permitted actions required or taken to protect and preserve one or more individual Conservation Values may impair, on an individual and stand-alone basis, one or more other Conservation Values, Grantor and Grantees understand that achieving the Conservation Purposes requires the preservation and protection, on balance, of all of the Conservation Values existing on the Property, to the maximum extent possible. The Parties recognize that in protecting and/or enhancing one or more of the Conservation Values, another Conservation Value may be impaired, but the Parties intend that this shall not be a permanent occurrence, or a reason to prioritize one Conservation Value over another. The Parties shall balance on an aggregate basis the Conservation Values on the whole Property whenever possible.

2. **Land Management Plan.**

Grantor's management of the Property shall be subject to a Land Management Plan prepared for the Property, as amended from time to time in accordance with this Conservation Easement ("Management Plan"). The Management Plan will be designed to (i) provide for Grantor's adaptive management of the Property in a manner consistent with the Conservation Purposes (as defined below) and the terms of this Conservation Easement, (ii) describe those studies, research, and monitoring activities CDFW will have the right to conduct on the Property in accordance with Section 3(b)(1) below; and (iii) set forth the forest management plan component as defined in Section 16 of **Exhibit F.** The Management Plan shall be approved by Grantor in writing after written notice to and consultation with Grantees under Section 10(a) below. Grantor may amend the Management Plan at any time after written notice to and consultation with Grantees. The Management Plan shall not replace, modify, or amend any of the terms, covenants or conditions of this Conservation Easement. The Conservation Easement shall govern if there are any inconsistencies between it and the Management Plan.

3. **Rights Conveyed to Grantees.**

(a) **Rights of Grantees.** To accomplish the Conservation Purposes, Grantor hereby grants and conveys the following rights to each of the Grantees:

(1) **Right to Preserve and Protect.** Each Grantee shall have the right to preserve and protect in perpetuity the Conservation Values of the Property in a manner consistent with the terms of this Conservation Easement. Each Grantee, in its sole and absolute discretion, shall have the right to prevent by any lawful means any activity on or use of the Property that is or may be a violation of the terms of this Conservation Easement, and to require the restoration of such areas or features of the Property that may be damaged by any act, failure to act, or any use or activity undertaken by Grantor or under Grantor's control that constitutes a violation of the terms of this Conservation Easement.

(2) **Right of Access to Inspect, Monitor and Enforce.** Each

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Grantee shall have the right to access and enter upon the Property using any easement or right of way appurtenant to the Property in order to exercise the following rights: (a) inspect the Property once annually to determine whether Grantor is in compliance with the terms of this Conservation Easement, provided that such Grantee provides written notice to Grantor and to the other Grantee at least sixty (60) days prior to the annual inspection, and that Grantor shall have the option to be present during any compliance monitoring; (b) exercise the rights which are granted to such Grantee herein; and (c) enforce the terms of this Conservation Easement, in accordance with Section 11 of this Conservation Easement, including without limitation, the right to restore the Conservation Values, provided, that such access and entry will be made in a manner that will not interfere unreasonably with the permitted use(s) or enjoyment of the Property by Grantor and any occupant(s) or user(s) of the Property pursuant to the terms of this Conservation Easement. Grantees shall schedule a date and time for the annual compliance monitoring visit that is reasonably acceptable to Grantor, and Grantees shall use reasonable efforts to coordinate with each other their annual compliance monitoring visits to the Property. The right of access to inspect and monitor shall not be assigned by either Grantee without the prior express written consent of the Grantor; provided, however, that either Grantee may authorize entry of its consultants to the extent they are assisting the Grantee in its monitoring obligations or other activities authorized by this Conservation Easement. Nothing in this section shall be construed to authorize entry by members of the public for any purpose. Notice under this section shall include the names, titles and affiliations of persons who will conduct the inspections and, for those persons who are not employees of either Grantee, their qualifications.

(3) **Right of Immediate Entry.** Each Grantee, in its sole and absolute discretion, shall have the right to immediately enter the Property where it is determined that urgent action is necessary to prevent, terminate, or mitigate a significant impairment of the Conservation Values. If either Grantee determines such immediate entry is necessary, such Grantee need not provide Grantor or the other Grantee with prior notice; provided, however, the entering Grantee shall provide Grantor and the other Grantee with telephonic or other comparable notice at the time of entry, to be followed by a written notice of entry within three (3) business days after such immediate entry.

(4) **CDFW Right of Entry.** Nothing in this Conservation Easement is intended to or shall be construed to affect CDFW's separate, existing legal authority to enter the Property at any time and in any manner for law enforcement or regulatory purposes, consistent with California law.

(b) **Additional Rights of CDFW.** Grantor hereby grants and conveys the following rights to CDFW:

(1) **Right to Conduct Studies and Monitor.**

(A) CDFW shall have the right to conduct those surveys, studies, and monitoring activities listed in **Exhibit E**, attached hereto and

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incorporated herein by this reference. These surveys, studies, and monitoring activities conducted in accordance with the frequency and duration listed in **Exhibit E** are presumed to be consistent with the Conservation Purposes and shall be incorporated into the Fisheries and Wildlife Management section of the Management Plan.

(B) CDFW shall have the right to conduct other surveys, studies, and monitoring activities relating to fish, wildlife, and plant species and their habitat on the Property provided that such surveys, studies, and monitoring activities shall be carried out in a manner that (a) shall not interfere unreasonably with the permitted use(s) or enjoyment of the Property by Grantor; (b) shall be consistent with the Conservation Purposes; and (c) shall not be inconsistent with the Fisheries and Wildlife Management section of the Management Plan.

(2) **Coordination with Grantor.** CDFW shall provide Grantor with a minimum of thirty (30) days advance written notice prior to conducting any surveys, studies, or monitoring activities, on the Property pursuant to this Section 3(b), which notice shall describe the type of activity, location on the Property of such activity, the number of people who will be conducting such activity, and the length of time in days of such activity. CDFW shall coordinate with Grantor prior to conducting any surveys, studies, or monitoring activities on the Property.

4. **Prohibited Uses of the Property.** Except for any use or activity that is expressly permitted in this Conservation Easement, any activity on or use of the Property that is inconsistent with the Conservation Purposes of this Conservation Easement is prohibited. Grantor and Grantees agree that **Exhibit F**, attached hereto and incorporated herein by this reference, sets forth both the permitted and prohibited uses of the Property by Grantor, Grantor's agents, Grantees, and/or third parties under Grantor's control on the Property. In entering into this Conservation Easement, Grantor understands and acknowledges that uses prohibited by the terms of this Conservation Easement may become more economically valuable than permitted uses and that neighboring properties may in the future be dedicated partially or entirely to such prohibited uses. Grantor and Grantees intend that any such changes will not be deemed to be circumstances justifying the termination, extinguishment, or modification of this Conservation Easement. The inability of Grantor, or its successors or assigns, to carry out any or all of the uses permitted under the terms of this Conservation Easement, or the unprofitability of doing so, will not impair the validity, force and effect of this Conservation Easement or be considered grounds for its termination, extinguishment, or modification.

5. **Grantor's Duties.** To the extent Grantor has or reasonably should have knowledge of actual or anticipated unauthorized third party use of the Property that violates or would violate the terms of this Conservation Easement, Grantor shall undertake all reasonable actions to prevent such unauthorized use. In determining what actions are reasonable pursuant to this section, the Parties acknowledge that the

Property is large and has multiple points of ingress and egress and that preventing all unauthorized use may not be reasonable or feasible.

6. **Grantor's Reserved Rights and Permitted Uses of Property; PG&E's Reserved Rights.**

(a) **Rights of Ownership.** Grantor reserves to itself all rights of ownership of the Property. Grantor shall confine its use of the Property to those permitted activities and uses, and to such other activities and uses of the Property as are both: (1) consistent with the Conservation Purposes; and (2) not prohibited under the terms of this Conservation Easement. The permitted uses and activities set forth on **Exhibit F** are presumed to be consistent with the Conservation Purposes and are expressly permitted by the Grantor, but **Exhibit F** is not an exclusive list of such uses and activities. Uses and activities that are prohibited in **Exhibit F** are inconsistent with the Conservation Purposes. Those permitted uses listed in **Exhibit F** that will involve construction or renovation of buildings or other structures shall be undertaken only in the applicable zones ("Zones"), as legally described, and depicted on the map included in **Exhibit G** ("Zones Map"), attached hereto and incorporated herein by this reference. Each Zone has a legal description prepared by a licensed land surveyor and has been marked in the field using signage mutually acceptable to the Parties.

(b) **PG&E Reserved Rights.** All rights and obligations of Grantor and Grantees under this Conservation Easement are subject to the PG&E Reserved Rights specified in the Grant Deed. In the event of a conflict between the PG&E Reserved Rights and the Conservation Purposes, this Conservation Easement shall be construed to unconditionally permit the exercise of the PG&E Reserved Rights. In the event PG&E notifies Grantor of PG&E's intention to exercise any of the PG&E Reserved Rights, Grantor shall notify each Grantee, in writing, of such intention within five (5) days of Grantor's receipt of such notification.

7. **Express Third-Party Uses.** **Exhibit C** describes the Express Third Party Uses of the Property permitted with the express agreement of Grantor. Grantor retains the right to maintain, renew, and replace all such agreements memorializing Express Third-Party Uses ("Third-Party Use Agreements") and to engage in all activities reasonably required to comply with Grantor's obligations with respect to the Express Third-Party Uses, subject to the following conditions:

(a) **Increases in Intensity or Expansion of Location or Size or Change in Third Party Use.** Subject to existing Third Party Use Agreements, any (i) increase in the intensity, (ii) expansion of the location or size, or (iii) change in the use, of any of the Express Third-Party Uses, whether through a new agreement or an amendment to an existing agreement, that Grantor determines in good faith are likely to significantly impair the Conservation Values shall be not be allowed.

(b) **Renewal or Replacement of Third-Party Use Agreements.** All Third-Party Use Agreements existing as of the Effective Date are identified in **Exhibit C**. As Third-Party Use Agreements are renewed or replaced (either with the existing user or a new user), Grantor, in consultation with Grantees, shall include contractual

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provisions to bring the continuation of the Express Third-Party Uses and the preservation of the Conservation Values into alignment to the fullest extent reasonably practicable.

(c) **Enforcement of Third-Party Use Agreements.** If Grantor or Grantees discover any default under a Third-Party Use Agreement that significantly impairs the Conservation Values (and if either Grantee makes such discovery, such Grantee gives Grantor and the other Grantee written notice thereof), Grantor shall use reasonable efforts to enforce or otherwise remedy such violation, at Grantor's sole expense.

8. **Public Access.**

(a) **Informal Uses and Public Access.** Grantor and Grantees recognize the Property has been used by third parties for recreational, cultural, and other non-commercial or informal purposes without formal written agreements to conduct such activities ("Informal Uses"). Grantor and Grantees further recognize that access to the Property is inherent or may be inherent in the enjoyment of the Conservation Values and the Informal Uses. Consistent with the objectives articulated in the Governing Documents to provide continued reasonable access by the public to the Watershed Lands, Grantor shall allow public access to the Property that is substantially consistent with the public access existing on the Effective Date. Grantor reserves the right to make and enforce reasonable regulations to control, limit, or, exclude Informal Uses and public access. Grantor shall not allow Informal Uses or any public access that significantly impairs the Conservation Values.

(b) **New or Increased Public Access.** If Grantor desires to allow new public access or Informal Uses or an expansion of public access or Informal Uses on the Property, Grantees' advance written approval is required, which approval shall not be unreasonably withheld, conditioned or delayed.

(c) **Liability Limitation.** Notwithstanding Section 8(a) and Section 8(b) above, Grantor and Grantees claim all of the rights and immunities against liability for injury to the public to the fullest extent allowable by law.

(d) **Periodic Review of Informal Uses.** As part of each Grantee's annual compliance monitoring: (i) Grantor and the monitoring Grantee shall meet and confer to discuss the known Informal Uses or public access on the Property for the purpose of Grantees' assessment of Grantor's compliance with the requirements set forth above in this section; and (ii) with respect to Informal Uses allowed by Grantor on the Property in accordance with (a) above, Grantor and each Grantee shall meet and confer, and include recommendations, if any, regarding the necessity of controlling, limiting, or excluding Informal Uses or public access to ensure the preservation of the Conservation Values. If either Grantee is not part of such meeting, Grantor and the other Grantee shall provide the non-participating Grantee with a summary of the results of such meeting.

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9. **Compliance with Applicable Law.** This Conservation Easement describes certain rights held by Grantor, Grantees, PG&E, and third parties, as well as permitted uses that are presumed to be consistent with the Conservation Purposes of the Conservation Easement. Nothing in this Conservation Easement requires Grantor, Grantees, PG&E, or third parties to exercise these rights. Nor does this Conservation Easement provide Grantor, Grantees, PG&E, or third parties with regulatory approval to undertake any action described as a retained right or permitted use. Prior to undertaking any action to exercise these rights, Grantor, Grantees, PG&E, and third parties shall obtain all necessary permits and comply with all applicable laws, including the California Environmental Quality Act (“CEQA”), Public Resources Code sections 21000 et seq.

10. **Consultation and Approval Processes.**

(a) **Consultation.** Whenever this Conservation Easement requires one Party to consult with one or more other Parties, the Party with the obligation to seek consultation shall provide the other Party or Parties with a written request to consult. The Parties shall seek to meet in person within thirty (30) days of the response to the consultation request, unless the Parties agree, or this Conservation Easement provides otherwise. For purposes of this Conservation Easement, consultation means the meaningful and timely process of meeting in good faith to exchange adequate information and discuss, understand, and consider the views of the other Party or Parties and to seek, wherever feasible, to reach agreement. If the Parties are unable to reach agreement and one or more Grantees believe the proposed activity would violate the terms of this Conservation Easement, the Grantee(s) may issue a Notice of Breach pursuant to Section 10. If no response to the request to consult is received within 30 days of its receipt, the requesting Party shall have no obligation to consult.

(b) **Approval.** Whenever this Conservation Easement requires the approval of the Grantees (“Approval”) for a proposed action or activity (“Proposed Activity”), Grantor shall provide each Grantee a written notice requesting the Approval at least thirty (30) days before the commencement of the proposed action. The notice shall set forth in detail all material facts of the Proposed Activity and the following provisions shall then be applicable:

(1) **Additional Information.** Either Grantee may request additional information concerning the Proposed Activity within thirty (30) days after the notice is given. Any supplemental information shall be provided to both Grantees.

(2) **Objection Notice.** Grantee(s) shall review the notice promptly, and give Grantor prompt written notice of any objections based on the Grantee(s) assessment that the Proposed Activity is reasonably likely to violate the terms of the Conservation Easement. If either Grantee objects it shall advise Grantor and the other Grantee how, if at all, the Proposed Activity could be modified to be consistent with the Conservation Purposes and the terms of the Conservation Easement.

(3) **Written Approval.** Grantor shall not, and shall not have the

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right to, commence or conduct the Proposed Activity until and unless it receives the written approval of both Grantees, and only in the manner approved, or unless the Proposed Activity is deemed approved pursuant to Section 10(b)(4) below.

(4) **Agreement Deadline for Proposed Activity.** The Proposed Activity shall be deemed to have been approved if no objection has been given within ninety (90) days after receipt of the notice of the Proposed Activity.

(5) **Limitations on Agreement.** No actual or deemed agreement or consent to, or acquiescence in or failure to object to, any given Proposed Activity shall constitute: (i) agreement or consent to, or approval of, any aspect of the Proposed Activity which was not disclosed in the Grantor's notice (including any supplemental information, as noted above), or any subsequent action or activity of the same or any different nature; or (ii) agreement or consent to, or approval of, any activity or use which is prohibited by the terms of this Conservation Easement, or any other alteration of the terms of this Conservation Easement.

11. **Enforcement and Remedies**

(a) **Procedures Upon Violation.** If a party hereto ("Non-Breaching Party") determines there is a breach of the terms of this Easement or that a breach is threatened, written notice of such breach ("Notice of Breach") and a demand for corrective action sufficient to cure the breach shall be given in accordance with Section 23 by the Non-Breaching Party to the party(ies) allegedly breaching this Easement ("Breaching Party") and to the other party not in breach (also referred to herein as "Non-Breaching Party"). Within fourteen (14) days after receipt of the Notice of Breach, the Parties shall meet at a location in Plumas County or as otherwise agreed by the Parties to discuss the circumstances of the alleged or threatened breach and to attempt to agree on appropriate corrective action. If the Parties are unable to agree on corrective action within thirty (30) days after such meeting, then a Non-Breaching Party may, at its election, deliver a further written notice to the Breaching Party and other Non-Breaching Party to demand reasonable corrective action to cure the breach. ("Notice of Violation"). If a violation is not cured within thirty (30) days after receipt of the Notice of Violation, or if the cure reasonably requires more than thirty (30) days to complete and there is failure to begin the cure within the 30-day period or failure to continue diligently to complete the cure, a Non-Breaching Party may commence litigation in accordance with Section 11(c) below. For purposes of this Section 11(a), a Non-Breaching Party can be either or both Grantees and/or Grantor.

(b) **Notice of Conflict.** Nothing in this Section 11 shall be construed to prevent both Non-Breaching Parties from issuing Notices of Violation for a single violation. If the Breaching Party receives a Notice of Violation from one Non-Breaching Party with which it is impossible for the Breaching Party to comply consistent with a prior uncured Notice of Violation received from the other Non-Breaching Party, the Breaching Party shall give written notice of the conflict ("Notice of Conflict") to both Non-Breaching Parties. The Notice of Conflict shall be given within fifteen (15) days of the date the Breaching Party receives a conflicting Notice of Violation, shall include copies of the conflicting Notices of Violation, and shall describe the conflict with specificity,

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including how the conflict makes compliance impossible. Upon issuing a valid Notice of Conflict, Breaching Party shall not be required to comply with the conflicting Notices of Violation until such time as one or both Non-Breaching Parties issue(s) revised Notice(s) of Violation that resolve the conflict, or the Non-Breaching Parties provide the Breaching Party with written notice explaining why the Notices of Violation do not conflict. Upon receipt of one or more revised Notices of Violation or a written explanation of why the Notices of Violation do not conflict, the Breaching Party shall comply with such notice within the time period(s) described in this section. The failure of the Breaching Party to provide the Non-Breaching Parties with a valid Notice of Conflict within fifteen (15) days of receipt of a conflicting Notice of Violation shall constitute a waiver of the Breaching Party right to claim a conflict.

(c) **Litigation.** If the Parties are not able to resolve a dispute under Section 11(a) and 11(b) above, a Non-Breaching Party may bring an action at law or equity in a court of competent jurisdiction to enforce compliance with the terms of this Easement, to recover damages to which a Non-Breaching Party may be entitled for violation of the terms of this Easement, or for any other legal or equitable relief available under California law, including, but not limited to, temporary or permanent injunctive relief, monetary damages or any other form of relief required to achieve the restoration of the Property to the condition it existed prior to any violation. To the extent that either Grantee recovers any monetary damages for the cost of restoring any injury or damage to a portion of the Property that is caused by Grantor's breach, all such damages recovered by such Grantee shall be applied to the cost of undertaking any corrective action to the applicable portion of the Property. Notwithstanding anything to the contrary in this Easement, in no event shall the Breaching Party be liable to any Non-Breaching Party for, and the Parties each hereby waive their right to, any indirect, special, punitive or consequential damages resulting from the Breaching Party's breach of this Easement, whether foreseeable or unforeseeable. For purposes of this Section 11(c), a Non-Breaching Party can be either or both Grantees and/ Grantor.

(d) **Emergency Injunctive Relief.** If circumstances require immediate action to prevent or mitigate a violation of this Easement and a Non-Breaching Party determines that irreparable harm would result if a Non-Breaching Party were required to complete the process set forth in Section 11(a), such Non-Breaching Party may proceed immediately to seek an injunction to stop the violation, temporarily or permanently. The Non-Breaching Party agrees to make a good faith effort to immediately provide notice to the Breaching Party and the other Non-Breaching Party of the circumstances requiring urgent action to prevent or mitigate any significant impairment to the Conservation Values. For purposes of this Section 11(d), a Non-Breaching Party can be either or both Grantees and/or Grantor.

(e) **Remedies at Law Inadequate.** The Parties agree that remedies at law for any violation of the terms of this Conservation Easement are inadequate and that the Non-Breaching Parties shall be entitled to the injunctive relief described in this section, in addition to such other relief to which it may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies,

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provided the other legal requirements for injunctive relief are met. Each Non-Breaching Party's remedies shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in California Civil Code section 815 *et seq.* For purposes of this Section 11(e), a Non-Breaching Party can be either or both Grantees and/or Grantor.

(f) **Attorney General Standing to Enforce.** If at any time in the future, Grantor or any subsequent transferee of Grantor uses or threatens to use the Property for purposes inconsistent with this Conservation Easement or in violation of its terms, then, despite the provisions of California Civil Code section 815.7, the California Attorney General has standing as an interested party in any proceeding affecting this Conservation Easement.

12. **Costs of Enforcement.** The non-prevailing party in litigation to enforce the terms of this Conservation Easement shall pay to the prevailing party(ies) any costs and attorneys' fees awarded by the court.

13. **Grantees' Discretion.** Enforcement of the terms of this Conservation Easement shall be at the discretion of either Grantee, and any forbearance by Grantee(s) to exercise their rights under this Conservation Easement in the event of any violation of any term of this Conservation Easement shall not be deemed or construed to be a waiver by Grantee(s) of such violation or of any subsequent violation of the same or any other term of this Conservation Easement or of any of Grantee(s)' rights under this Conservation Easement.

14. **Acts Beyond Grantor's Control.** Nothing contained in this Conservation Easement shall be construed to entitle either Grantee to bring any action against Grantor for any injury to or change in the Property or impairment of the Conservation Values resulting from (a) any natural cause beyond Grantor's control, including, without limitation, fire not caused by Grantor, flood, storm, climate change, earth movement, diseases affecting biological features of the Property, or any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property or impairment to the Conservation Values resulting from such causes; (b) acts by Grantees or their employees, consultants, agents, contractors, board of directors, or representatives; or (c) acts by third parties over whom Grantor has no control, provided Grantor has fulfilled its obligations under Section 5.

15. **Costs and Liabilities.** Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Except as set forth in Section 17, Grantor agrees that Grantees shall have no duty or responsibility for the operation, upkeep or maintenance of the Property, the monitoring of hazardous conditions thereon, or the protection of Grantor, the public or any third parties from risks relating to conditions on the Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals required for any activity or use by Grantor permitted by this Conservation Easement, including those required from CDFW acting in its regulatory capacity. Any activity or use shall be undertaken in accordance with all applicable federal, state, and local statutes, ordinances, rules, regulations, orders and requirements.

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16. **Taxes; No Liens.** Grantor shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred as a result of, this Conservation Easement, and shall furnish Grantees with satisfactory evidence of payment upon request. Grantor shall keep the Property free from any liens (other than a security interest that is expressly subordinate to this Conservation Easement as provided in Section 26(m)), including those arising out of any obligations incurred by Grantor for any labor or materials furnished or alleged to have been furnished to or for Grantor at or for use on the Property.

17. **Hold Harmless.** Grantor shall hold harmless and indemnify Grantees and their directors, officers, and employees and the successors and assigns of each of them (each an "Indemnified Party" and, collectively, "Indemnified Parties") from and against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), proximately caused by the occupancy or use of the Property by Grantor or its directors, officers, employees, or agents, unless due solely to the negligence of the Grantee seeking indemnity or any of such Grantees' officers, employees or agents. If any action or proceeding is brought against any of the Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from an Indemnified Party seeking indemnification under this section, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party or reimburse such Indemnified Party for all reasonable charges incurred for services of the California Attorney General in defending the action or proceeding.

FRLT shall hold harmless and indemnify Grantor and its directors, officers, and employees, and successors and assigns of each of them from and against any and all liabilities, penalties, costs, losses, damages, expenses (including without limitation reasonable attorneys' fees and costs and consultant fees), causes of action, claims, demands, orders, liens or judgments proximately caused by to the entry onto or use of the Property by FRLT or its officers, employees, or agents, unless due solely to the negligence of the Grantor, its directors, officers, employees or agents. If any action or proceeding is brought against the Grantor, its directors, officers, employees or agents, by reason of such claim, FRLT shall, at the election of and upon written notice from the Grantor, defend such action or proceeding by counsel reasonably acceptable to the Grantor.

For so long as CDFW serves as a Grantee under this Conservation Easement, CDFW shall, to the maximum extent permitted by Government Code Section 14662.5, hold harmless and indemnify Grantor and its directors, officers, employees, and agents, and successors and assigns of each of them from and against any and all liabilities, penalties, costs, losses, damages, expenses (including without limitation reasonable attorneys' fees and costs and consultant fees), causes of action, claims, demands, orders, liens or judgments proximately caused by the entry onto or use of the Property by CDFW or its officers, employees, or agents, unless due solely to the negligence of

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the Grantor, its directors, officers, employees or agents. If any action or proceeding is brought against the Grantor, its directors, officers, employees or agents by reason of such claim, CDFW shall, at the election of and upon written notice from the Grantor, and to the extent permitted by Government Code Section 14662.5, defend such action or proceeding by counsel reasonably acceptable to the Grantor.

18. **Insurance.** Grantor shall procure, carry, and maintain in effect throughout the term of this Conservation Easement, the insurance specified in **Exhibit H**, which is incorporated herein by reference; provided, however, that Grantees reserve the right to periodically review and reasonably modify the insurance requirements specified in **Exhibit H** to be generally consistent with the practices of prudent charitable organizations that own similar properties. All insurance shall be written on forms and with insurance carriers acceptable to Grantees in their commercially reasonable judgment. Prior to recordation of this Conservation Easement, Grantor shall provide Grantees with evidence of insurance coverage satisfying the requirements of this section and **Exhibit H**. Grantor is responsible for causing its agents and contractors entering the Property to comply with the insurance requirements of this section and **Exhibit H** at all relevant times. Grantor shall indemnify, protect, defend, and hold harmless Grantees against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and reasonable experts' fees), causes of action, claims, demands, orders, liens or judgments proximately caused by the failure of Grantor or its agents or contractors to comply with the insurance requirements of this section and **Exhibit H**.

19. **Extinguishment.** If circumstances arise in the future that render the Conservation Purposes impossible to accomplish, this Conservation Easement can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction.

20. **Condemnation.** This Conservation Easement is "property appropriated to public use," the condemnation of which is prohibited except as provided in Code of Civil Procedure section 1240.055. This Conservation Easement is a "wildlife conservation easement" acquired by a State agency, the condemnation of which is prohibited except as provided in Fish and Game Code section 1348.3.

21. **Transfer of Conservation Easement.**

(a) **Voluntary Assignment.** In the event that either Grantee decides to assign its interest under this Conservation Easement, the other Grantee shall have the right to assume all duties of Grantees under this Conservation Easement and serve as the sole Grantee. If the other Grantee declines to do so, the assigning Grantee shall only assign such interest to an organization that is: (i) qualified to hold a conservation easement under section 815.3 of the California Civil Code; (ii) experienced in holding and monitoring conservation easements on properties similar to the Property; (iii) willing and financially able to assume all of the responsibilities imposed on such Grantee under this Conservation Easement; and (iv) approved in advance by Grantor, which approval shall not be unreasonably withheld. The assigning Grantee shall give preference to any qualifying organization that has experience in holding and monitoring conservation

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easements on properties owned by Indian Tribes or tribal organizations. Before assigning its interest under this Conservation Easement, the assigning Grantee shall provide Grantor, the other Grantee, and the Sierra Nevada Conservancy (“SNC”) with written notice of such intention to transfer (“Transfer Notice”) and shall consult with Grantor, the other Grantee, and SNC pursuant to Section 10(a). The Transfer Notice shall identify the proposed assignee and include a description of how the proposed assignee meets the assignee designation criteria set forth in this section. In consultation with Grantor and the other Grantee, the transferring Grantee shall allow SNC a period of not less than sixty (60) days to approve the proposed assignee, which approval shall not be unreasonably withheld and shall be based on whether the proposed assignee meets the designation criteria specified in this section. If SNC does not approve the proposed assignee, SNC shall provide the transferring Grantee with the reasons behind such decision.

(b) **Involuntary Assignment.** If FRLT (or its successor in interest hereunder) ever ceases to exist or no longer qualifies under applicable state law to hold a conservation easement interest, then SNC shall, in consultation with CDFW pursuant to Section 10(a), select an assignee that meets all the designation criteria specified in subsection (a) above or determine that a successor to FRLT is not necessary if CDFW is willing to assume FRLT’s duties as Grantee. If SNC is unable to identify an assignee that meets all of the designation criteria specified in subsection (a) above, that is willing to accept such assignment, then SNC may elect to serve as such assignee. Notwithstanding the foregoing, SNC may elect to exercise the rights of FRLT (or its successor in interest hereunder), as Grantee hereunder during any period that a successor assignee for FRLT is not yet in place.

(c) **Conditions of Assignment.** As conditions to any assignment of this Conservation Easement, the transferring Grantee and/or the SNC shall: (i) require the assignee to expressly agree in writing to assume the transferring of Grantee’s obligations hereunder; and (ii) ensure that assignee has the resources to fulfill its obligations under the Conservation Easement.

(d) **Successor to SNC.** Upon any liquidation or dissolution of SNC, SNC or the State of California shall have the right to assign SNC’s rights and obligations under this section to another entity that has a conservation mission and level of expertise consistent with that of SNC and sufficient resources and capacity to carry out the obligations of SNC.

22. **Transfer of Property.**

(a) **Transfer of Property to Third-Party.** Grantor shall not transfer the Property without the prior written approval of each Grantee, which approval shall not be unreasonably withheld. Grantor shall give written notice to each Grantee of the intent to transfer the interest at least ninety (90) days prior to the date of such transfer. Grantor agrees to incorporate the terms of this Conservation Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or

Appendix 3: Conservation Easement

any portion of the Property, including, without limitation, a leasehold interest. Except transfer in accordance with the Power of Termination, each Grantee shall have the right to prevent subsequent transfers in which prospective transferees are not given actual notice of the terms, covenants, conditions and restrictions of this Conservation Easement. The failure of Grantor or Grantees to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforceability in any way.

(b) **Power of Termination.** The State of California, acting by and through CDFW, has been granted a power of termination in the Property in accordance with California Civil Code section 885.010, et seq. and that certain *[reference name of power of termination granting document]*, recorded in the Official Records of the County of Plumas, on ____, 20 __, as Instrument Number ("Power of Termination"), attached hereto as **Exhibit I** and incorporated herein by reference. In the event the Power of Termination is triggered and fee title to the Property transfers to CDFW, CDFW shall no longer hold any rights of a Grantee under this Conservation Easement, and FRLT (or FRLT's successor in interest hereunder) shall thereafter constitute the sole Grantee for all purposes under this Conservation Easement. ***[Draft Note – paragraphs (a) and (b) should be harmonized to ensure consistency with the final language of the Power of Termination and to avoid redundancy]***

23. **Notices.** Any notice, demand, request, consent, approval, or other communication that either party desires or is required to give to the other shall be in writing and be delivered: (a) personally; (b) by reliable overnight courier that guarantees next-day delivery; or (c) by first class United States mail, postage fully prepaid, and addressed as follows:

To Grantor: Maidu Summit Consortium
P.O. Box 682
Chester, CA 96020
Attn: Executive Director

To FRLT: Feather River Land Trust
P.O. Box 1826
75 Court Street
Quincy, CA 95971
Attn: Executive Director

To CDFW: Department of Fish and Wildlife
North Central Region
1701 Nimbus Road
Rancho Cordova, CA 95670
Attn: Regional Manager

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Copy to: Department of Fish and Wildlife
Office of the General Counsel
1416 Ninth Street, 12th Floor
Sacramento, California 95814-2090
Attn: General Counsel

To SNC: Sierra Nevada Conservancy
11521 Blocker Drive, Suite 205
Auburn, CA 95603
Attn: Executive Director

or to such other address as either party shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

24. **Amendment.** This Conservation Easement may be amended only upon the written agreement of Grantor and both Grantees. Any such amendment shall be consistent with the Conservation Purposes of this Conservation Easement and California law governing conservation easements and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of Plumas County.

25. **Third-Party Beneficiary.** If, for any reason, CDFW determines it is unable to serve as Grantee under this Conservation Easement and provides written notice of that determination to Grantor and FRLT, FRLT shall thereafter be the sole Grantee and CDFW shall, without any further action by the Parties, become an express third-party beneficiary of this Conservation Easement. All rights conveyed to Grantees under this Conservation Easement, including but not limited to those set forth in Section 3(a), and all remedies conveyed to Grantees under this Conservation easement, including but not limited to those set forth in Section 11, shall extend to and shall be enforceable by CDFW as third-party beneficiary. CDFW shall retain all additional rights set forth in Section 3(b) regardless of whether it serves as Grantee or third-party beneficiary.

26. **Additional Provisions.**

(a) **Baseline Documentation Report.** Grantor and Grantees each acknowledge that certain biological and other physical attributes of the Property particularly relevant to the Conservation Easement are further documented in a written inventory of such attributes ("Baseline Documentation Report"), which has been prepared by a competent natural resource professional familiar with the Property and approved in writing by Grantor and Grantees. Grantor and Grantees acknowledge they each have a copy of the Baseline Documentation Report, as approved by them. The Parties agree that the Baseline Documentation Report contains an accurate

Appendix 3: Conservation Easement

representation of such attributes of the Property at the time that this Conservation Easement is recorded, and is intended to serve as an objective, though non-exclusive, source of baseline information for monitoring compliance with the terms of the Conservation Easement. The foregoing notwithstanding, if a dispute arises with respect to the nature and extent of the biological or physical condition of the Property, the Parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the dispute.

(b) **Grantor's Advice of Legal Counsel.** Grantor and Grantees acknowledge and stipulate that Grantees have advised Grantor that neither Grantee can provide, or has provided, Grantor with legal or tax advice at any time respecting the Conservation Easement. Grantor and Grantees further acknowledge that Grantees have advised Grantor to seek legal counsel in the negotiation and execution of this Conservation Easement and that Grantor has done so. Grantor has retained legal counsel, which decision was made in Grantor's sole discretion.

(c) **Controlling Law.** The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California, disregarding the conflicts of law principles of such state, with venue in Plumas County.

(d) **Liberal Construction.** Despite any general rule of construction to the contrary, this Conservation Easement shall be liberally construed to accomplish the purposes of this Conservation Easement in perpetuity, and to effectuate 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 Conservation Purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(e) **Severability.** If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action shall not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(f) **Entire Agreement.** This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior written or oral discussions, negotiations, understandings, or agreements of the parties relating to the Conservation Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 24.

(g) **No Forfeiture.** Nothing contained in this Conservation Easement will result in a forfeiture or reversion of Grantor's fee title in and to the Property in any respect.

(h) **Successors.** The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the Parties and their respective personal representatives, heirs, successors, and assigns and shall constitute a servitude running in perpetuity with the Property.

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(i) **Termination of Rights and Obligations.** A Party's rights and obligations under this Conservation Easement terminate upon transfer of the Party's interest in the Conservation Easement or Property, except that liability for acts, omissions, or breaches occurring prior to transfer shall survive transfer.

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

(k) **Hazardous Materials Liability.**

(1) Grantor represents and warrants that it has no actual knowledge or has not received actual notice of any Hazardous Materials (as defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Property, or transported to or from or affecting the Property.

(2) Without limiting the obligations of Grantor under Section 17 of this Conservation Easement, Grantor hereby releases and agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any and all Claims arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from, or about, the Property at any time, except any Hazardous Materials placed, disposed or released by Grantees or their employees, officers, agents, consultants or representatives. This release and indemnification includes, without limitation, Claims for injury to or death of any person or physical damage to any property; and the violation or alleged violation of, or other failure to comply with, any Environmental Laws (as defined below). If any action or proceeding is brought against any of the Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from Grantee, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party or reimburse Grantees for all reasonable charges incurred for services of the California Attorney General or other counsel in defending the action or proceeding.

(3) Despite any contrary provision of this Conservation Easement, the Parties do not intend this Conservation Easement to be, and this Conservation Easement shall not be, construed to create in or give to Grantees any of the following:

(A) The obligations or liability of an "owner" or "operator," as those terms are defined and used in Environmental Laws (as defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. section 9601, et seq.; hereinafter, "CERCLA"); or

(B) The obligations or liabilities of a person described in 42 U.S.C. section 9607(a)(3) or (4); or

(C) The obligations of a responsible person under any applicable Environmental Laws (as defined below); or

Appendix 3: Conservation Easement

(D) The right or duty to investigate and remediate any Hazardous Materials associated with the Property; or

(E) Any control over Grantor's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

(4) The term "Hazardous Materials" includes, without limitation, (a) material that is flammable, explosive or radioactive; (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. section 6901, et seq.; hereinafter "RCRA"); the Hazardous Materials Transportation Act (49 U.S.C. section 6901, et seq.; hereinafter "HTA"); the Hazardous Waste Control Law (Health & Saf. Code section 25100, et seq.; hereinafter "HCL"); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health & Safety Code section 25300, et seq.; hereinafter "HSA"), and in the regulations adopted pursuant to them, or any other applicable Environmental Laws that define Hazardous Materials now in effect or enacted after the Effective Date.

(5) The term "Environmental Laws" includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, or local statute, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Grantor represents, warrants and covenants to Grantees that all activities upon and use of the Property by Grantor, its agents, employees, invitees and contractors will comply with all Environmental Laws.

(l) **Warranty.** Grantor represents and warrants to Grantees that Grantor is the sole owner of fee simple title to the Property; that the Property is not subject to any other conservation easement; and, other than those exceptions expressly listed in **Exhibit J**, attached hereto and incorporated herein by this reference, there are no outstanding mortgages, liens, encumbrances or other interests in the Property (including, without limitation, water and mineral interests) that may conflict or are otherwise inconsistent with this Conservation Easement and which have not been expressly subordinated to this Conservation Easement by a written, recorded subordination agreement approved by Grantees.

(m) **Additional Easements.** Grantor shall not grant any additional easements, rights of way, or other interests in the Property (other than a security interest that is expressly subordinated to this Conservation Easement), or grant, transfer, abandon, or relinquish (each a "Transfer") any mineral, air, or water right, or any water associated with the Property, without first obtaining the written consent of each Grantee, which consent shall not be unreasonably withheld. This section shall not limit the provisions of Section 3 nor prohibit transfer of a fee or leasehold interest in the Property that is subject to this Conservation Easement and complies with Section 22. Grantor shall provide a certified copy of any recorded or unrecorded grant or Transfer document to each Grantee.

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(n) **Recording.** Grantees shall record this Conservation Easement in the Official Records of Plumas County, and each Grantee may re-record this Conservation Easement at any time as such Grantee deems necessary to preserve its rights in this Conservation Easement.

(o) **Exhibits.** The following Exhibits referenced in this Conservation Easement are attached to and incorporated by reference in this Conservation Easement:

- EXHIBIT A – Legal Description of Property and Map of the Property
- EXHIBIT B – Grant Deed
- EXHIBIT C – Express Third-Party Uses and Third-Party Use Agreements
- EXHIBIT D – Conservation Values
- EXHIBIT E – CDFW’s Use of the Property
- EXHIBIT F – Grantor’s Use of the Property
- EXHIBIT G – Zones Map
- EXHIBIT H – Insurance Requirements
- EXHIBIT I – Power of Termination
- EXHIBIT J --Encumbrances

IN WITNESS WHEREOF Grantor and Grantees have executed this Conservation Easement as of the day and year first above written.

GRANTOR:

MAIDU SUMMIT CONSORTIUM

By: _____

Name: Ken Holbrook

Title: Executive Director

Date: _____

FRLT:

FEATHER RIVER LAND TRUST

By: _____

Name: Shelton Douthit

Title: Executive Director

Date: _____

CDFW:

STATE OF CALIFORNIA, acting by and through
Department of Fish and Wildlife

By: _____

Name: Tina Bartlett

Title: Regional Manager, North Central Region

Date: _____

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF _____

On _____, before me, the undersigned, a Notary Public in and for the State of California, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

Witness my hand and official seal.

Notary Public in and for
said County and State

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Conservation Easement Deed by _____, dated _____, to the State of California, Grantee, acting by and through its California Department of Fish and Wildlife ("CDFW"), a governmental agency (under Government Code section 27281), is hereby accepted by the undersigned officer on behalf of CDFW, pursuant to the California Fish and Game Code.

STATE OF CALIFORNIA, by and through its
DEPARTMENT OF FISH AND WILDLIFE

By: _____

Title: _____

Authorized Representative

Date: _____

EXHIBIT A

Legal Description of the Property and Map of the Property

EXHIBIT B
Grant Deed

EXHIBIT C

Express Third-Party Uses and Third-Party Use Agreements

EXHIBIT D
Conservation Values

Fish, Plant, and Wildlife Habitat

Tasman Koyom (Humbug Valley) is located in Plumas County in the State of California’s Sierra Nevada Cascades Ecoregion and Sacramento Hydrologic Unit. Terrestrial habitats, as defined in the California Wildlife Habitat Relationship System (CWHR), in the valley portion of the Property consist of wet meadow habitat (WTM), annual grassland (AGS), aspen (ASP), and montane riparian (MRI). The upland portions of the Property transition from AGS into coniferous forest habitats, including Sierran mixed conifer (SMC), white fir (WFR), and juniper (JUN). The following table contains a list of habitat types and the primary species associated with each:

Habitat Type	Primary Species
Wet meadow (WTM)	Sedge species, rush species, tufted hairgrass
Annual grassland (AGS)	Wild oats, soft chess, brome species
Aspen (ASP)	Aspen, willow, alder
Montane riparian (MRI)	Black cottonwood, bigleaf maple, white alder
Sierran mixed conifer (SMC)	Douglas fir, ponderosa pine, white fir
White fir (WFR)	White fir, douglas fir, sugar pine
Juniper (JUN)	Juniper species, white fir, Jeffrey pine

Several habitats found within the Property are at risk or declining in California. The California Natural Diversity Database (CNDDDB) identifies rare plants that have been found on or in the vicinity of the Property, including bog birch (*Betula glandulosa*), English sundew (*Drosera anglica*), and Quincy lupine (*Lupines dalesiae*). The Humbug Valley watershed ranges from 4400 feet to 7063 feet in elevation, and portions of Yellow, Miller and Humbug Creeks occur within the Property. The portion of Yellow Creek that runs through the Property is a State-designated Wild Trout Water, established by the Fish and Game Commission. Another notable feature of the Humbug Valley ecosystem is the adjacent Big Springs, a perennial flowing spring that is the source of Yellow Creek.

Open Space

The majority of the Property is scenic open space with few facilities and structures visible from adjacent public land, viewsheds and byways.

Outdoor Recreation

Recreational use of the Property by the public is focused on angling, camping, birding, hiking and other passive uses. The Property includes a semi-primitive campground alongside Yellow Creek and Soda Springs State Historic Site and Day Use Area.

Sustainable Forestry

The Property includes timbered land surrounding the meadow. Timberland on the Property includes lands supporting conifer species in the SMC, WFR, and JUN habitat types. The Property also includes lands supporting hardwood species in the ASP and MRI habitat types.

Agricultural Uses

Wild plant foods, medicinal plants, basketry materials, seeds, grasses and bulbs are cultivated for subsistence, medicinal and ceremonial purposes. Prescribed burning, pruning of plants and removal of debris from the understory, among other techniques have been used historically to facilitate the production of food and plants from this area, and contributed substantially to shaping the Property's landscape.

Historic Resources

Tasman Koyom contains a variety of historic and cultural resources. The Property lies within the ancestral territory of the Mountain Maidu people, and holds cultural significance for them. Historic resources include a vacant historic cabin at the former site of the town of Longville along Humbug Road near the center of the valley and a state-designated historic site at Soda Springs.

EXHIBIT E
CDFW's Use of the Property

Fisheries

Survey	Timing	Duration	Number of Staff	Mechanism
Fish Population Monitoring – Electrofishing	Every 5-10 years	1-2 weeks	10-15	Backpack electrofisher, DNA
Fish Population Monitoring – Snorkeling	Every 3-5 years	1 week or less	10-15	Snorkel gear
Angler Creel	Every 10 years	Season-long	1-2	Person to person contact
Angler Survey Box	Annually	Season-long	1-2	Angler participation
Amphibian Surveys	Every 5-10 years	1 week or less	3-5	Dip nets

Wildlife

Survey	Timing	Duration	Number of Staff	Mechanism
Avian – General	Annually	Breeding Season	2-4	Audio playback, mist nets, DNA
Mammals – General	Annually	Season-long	2-10	Live traps, mist nets, cameras, tags, telemetry, dart gun, darts, DNA
Deer	Annually	Season-long	5-10	Telemetry collars, antenna, helicopter, net, dart guns, darts, DNA, camera
Wolf	Annually	Season-long	5-10	Telemetry collars, antenna, helicopter, net, dart guns, darts, DNA, camera
Elk Telemetry	Annually	Season-long	5-10	Telemetry collars, antenna,

Study				helicopter, net, dart guns, darts, DNA, camera
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Hydrological

Survey	Timing	Duration	Number of Staff	Mechanism
Flow and Temperature Studies	Every 5-10 years	1 week or less	5-8	Land survey equipment, flow meter, core sampler, gps, auger, data logger
Meadow Hydrology	Every 5-10 years	6 months	5-8	Land survey equipment, flow meter, core sampler, gps, auger, data logger
Carbon Sequestering	Every 5-10 years	6 months	5-8	Land survey equipment, flow meter, core sampler, gps, auger, data logger

EXHIBIT F

Grantor's Use of the Property

The following uses of the Property are permitted or prohibited, as indicated below. Permitted uses are deemed to be consistent with the Conservation Purposes and do not require approval by the Grantees, unless otherwise indicated. Prohibited uses are deemed to be inconsistent with the Conservation Purposes and may not be authorized by the Grantees. Grantor agrees that all permitted uses shall be carried out in conformance with all applicable laws and the terms of this Conservation Easement.

- 1. Subdivision and Partitioning:** Any legal or de facto division, subdivision, lot creation, or partitioning of the Property, including a request for a certificate of compliance pursuant to the Subdivision Map Act (Gov. Code section 66499.35), is prohibited. Notwithstanding that, as of the Effective Date, the Property is comprised of separate legal parcels, the terms and conditions of this Conservation Easement will apply to the Property as a whole, and the Property will not be transferred or otherwise conveyed except as a whole, intact, single piece of real estate; neither Grantor nor Grantor's personal representative, successors, or assigns will transfer or otherwise convey any portion of the Property that constitutes less than the entire fee interest in the Property. The existence of separate legal parcels as of the Effective Date shall not be interpreted to permit any use or activity on a separate legal parcel that would not have been permitted on such parcel under the terms and conditions of this Conservation Easement as applied to the Property as a whole. Upon prior written notification to the Grantees, the Grantor may execute one or more lot-line adjustments that may involve the boundary of the Property, provided, however, that no part of the Property is removed or divided from the Property as a whole, and no boundaries delineating the Zones are altered.
- 2. Development Rights:** Except as specifically permitted by this **Exhibit F**, the exercise of any development rights associated with the Property is prohibited, including, without limitation, the right to construct apartment houses; multi-family dwellings; mobile homes; house-trailers; permanent tent facilities or similar structures; golf courses; casinos and gaming facilities; boat ramps; underground tanks; billboards, or street lights. All development rights that are now or hereafter allocated to, implied, reserved or inherent in the Property are assigned, granted, deeded and/or otherwise transferred to and/or vested in and/or otherwise placed under the sole and absolute control and discretion of each Grantee in perpetuity and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described or to any other property nor used for the purpose of calculating permissible lot yield of the Property or any other Property.
- 3. Commercial Structures and Uses:** Except as specifically permitted by this **Exhibit F**, commercial structures and commercial uses on the Property are prohibited, including but not limited to livestock feedlots; gravel mining; commercial hotels; casinos and gaming facilities; mobile home parks; commercial wind farms; commercial fish hatcheries; billboards; cannabis cultivation, and commercial cultivation of native plants.

For purposes of this Section 3, the term “commercial” shall be defined as any structure or use for which a fee or charge is imposed for the purpose of generating a financial gain that is not dedicated to the not-for-profit mission of the Grantor.

4. **Construction and Use of Structures:** Notwithstanding any provision herein to the contrary, Grantor shall have the right to construct the following structures in conformance with the size, location and type restrictions herein specified. Grantor shall consult with, and/or seek approval of, Grantees, as set forth below, in accordance with Section 10 of this Conservation Easement and provide construction plans to them before beginning construction.
 - a. One (1) Maidu Village that will consist of one (1) traditionally constructed Kummúm (or Roundhouse) as well as up to ten (10) traditional Hybóm (lodges for 3-4 people). Such Village may be constructed only in the Maidu Traditional Village Site designated on the Zones Map attached hereto as **Exhibit G**. Grantor shall consult with Grantees, as required in accordance with Section 10(a) of this Conservation Easement and provide construction plans to them before beginning construction.
 - b. One (1) renovated or replaced historic cabin currently existing within the Visitor Center Zone on the Property to be redesigned as a cultural and visitor center of substantially the same character and size, without increasing its square footage. Retrofit construction is permitted in order to conform the building to applicable building codes. Uses of the cultural and visitor center shall not be inconsistent with the Conservation Purposes and shall not significantly impair the Conservation Values. A septic system, restroom, commercial grade well and parking area may also be constructed to serve such cultural and visitor center. Grantor shall seek approval of Grantees, as required in accordance with Section 10(b) of this Conservation Easement and provide construction plans to them before beginning construction.
 - c. Not more than ten (10) seasonal recreational cabins for periodic use that do not include cooking or bathroom facilities and that do not exceed 300 square feet each; not more than fifty (50) campsites (including existing campsites) and a campfire circle to be located at or adjacent to the existing Yellow Creek Campground within the Campground Zone; and associated bathroom and shower facilities along with an outdoor food preparation and dining area. These structures may be constructed only within the Campground Zone designated on the Zones Map attached hereto as **Exhibit G**. Grantor may operate and maintain such campsites and recreational cabins as a commercial campground. Use of the cabins, campgrounds and associated facilities shall not be inconsistent with the Conservation Purpose and shall not significantly impair the Conservation Values. Grantor shall seek approval of Grantees, as required in accordance with Section 10(b) of this Conservation Easement and provide construction plans to them before beginning construction.

- d. One (1) information kiosk to be installed in the Visitor Center Zone, and interpretative signage to be installed at designated entry points along existing roads or new roads in order to provide educational, interpretative and safety information to the public. Grantor shall seek approval of Grantees, as required in accordance with Section 10(b) of this Conservation Easement and provide construction plans to them before beginning construction.
- e. Solar energy structures, including photovoltaic panels, mounting hardware, storage batteries, controllers, inverters, grounding equipment and wiring; and other renewable energy structures as necessary to provide energy for the uses of the Property permitted in this Conservation Easement, subject to approval by the Grantees, which approval shall not be unreasonably withheld. Installation or repair of existing utility systems on the Property is permitted. Construction of power generation and transmission facilities for commercial purposes is prohibited. All utility infrastructure on the Property shall be designed and constructed for the purpose of serving only the permitted improvements on the Property; however, any power generated from permitted utility infrastructure facilities in excess of requirements of the permitted improvements and uses on the Property may be sold to a public utility. Grantor shall seek approval of Grantees, as required in accordance with Section 10(b) of this Conservation Easement and provide construction plans to them before beginning construction.
- f. Unless otherwise provided, for each structure permitted under this Section 4, appurtenant power generation, power sources or water production facilities are permitted to supply power or water for the permitted uses set forth in this Conservation Easement.
- g. One (1) existing structure known as the Soda Springs Historic Site, as identified on the Zones Map attached to this **Exhibit G**. Grantor may maintain or restore the Site as necessary to retain its historical integrity. Grantor shall consult with Grantees, as required in accordance with Section 10(a) of this Conservation Easement and provide construction plans to them before beginning construction.

5. Roads: Grantor may maintain, repair, or replace existing roads on the Property, taking care to ensure that any such activities are consistent with the current footprint and level of improvement of such roads. Grantor shall have the right to limit or prohibit access to existing roads, provided such actions are consistent with existing rights of way and/or easements on the Property, and further, that such actions are consistent with Section 3 and Section 8 of this Conservation Easement. Grantor may upgrade existing roads within the same footprint of such roads, subject to consultation with the

Grantees pursuant to Section 10(a) of this Conservation Easement. Grantor may construct new roads to provide access to existing structures or structures authorized to be constructed by this Easement. The location and construction of such new roads shall be approved by the Grantees, which approval shall not be unreasonably withheld. Any other alteration of the surface or general topography of the Property for the purpose of construction, improvement or replacement of roads for motorized vehicles of any type or for the purpose of paving such roads is prohibited.

6. Fences and Gates: Grantor may construct, place and erect fencing and gates only as necessary for permitted uses of the Property. The construction and installation of fencing and gates shall not significantly impair the Conservation Values and shall not interfere with the public access requirements set forth in Section 8 of this Conservation Easement. In the event of destruction or deterioration of any fences and gates, whether existing at the date hereof or constructed subsequently in accordance with the provisions of this Easement, the Grantor may maintain, remove and/or replace such fencing and gates.

7. Trails: Grantor may construct and maintain trails (defined as any definable route less than five (5) feet in width, not including curbs, cuts or fills) for recreational and educational purposes, and for use by pedestrians, horses and mules, and bicycles. Grantor may use motorized vehicles on trails for management and cultural purposes, provided such use does not significantly impair the Conservation Values. Otherwise, motorized vehicles are prohibited on trails. The following requirements for the construction and maintenance of such new trails shall apply: (a) the surface of the trail shall remain pervious (such as dirt, wood chips or gravel) (except within the designated Zones and except as may be required by applicable laws relating to access for disabled persons); (b) the trail shall be located, to the extent possible, in the path of a trail or forestry road existing on the Effective Date, as defined in the baseline document report; (c) the trail shall be constructed and maintained so as to minimize erosion and sedimentation and ensure proper drainage; (d) the trail shall be otherwise installed in a manner to avoid unnecessary tree removal, grading and other land disturbance, but allowing for selective brush removal; and (e) prior to construction of trails, the Grantor shall submit to the Grantees a qualified scientist's opinion that the proposed trail construction will not impact any special status, endangered or threatened species, or their habitats, listed in the Baseline Documentation Report, or any other such designated species or habitats identified at the time of the proposed construction. Grantees may request consultation regarding construction of trails under Section 10(a) of this Conservation Easement.

8. Recreational Uses: Subject to Section 8 of this Conservation Easement, including the prior approval of the Grantees as required under Section 8(b) of this Conservation Easement, Grantor may make the Property available for public access for low-intensity outdoor recreational and educational activities, including hiking; nature study; camping in the Campground Zone; hunting; fishing; canoeing; and educational programs. Grantor may impose a reasonable charge for new and expanded uses approved by Grantees under Section 8(b) of this Conservation Easement. Grantor may enter into agreements with third parties for delivery of such commercial recreational and educational activities. All such activities shall be conducted in compliance with all

applicable laws.

9. Traditional Activities: Grantor may gather plants, nuts, seeds or other materials related to the Mountain Maidu's traditional culture on the Property. Private and/or public Mountain Maidu traditional recreational, spiritual, cultural, and educational activities shall be permitted on the Property, including but not limited to, ceremonies, dances, games, and knowledge sharing workshops. Grantor shall conduct its cultural activities in a manner that does not significantly impair the Conservation Values. Grantor may inter the human remains of deceased persons of Mountain Maidu descent in the remaining interment spaces within the existing Maidu private cemetery on the Property, subject to all applicable laws. The interment of human remains shall not significantly impair the Conservation Values.

10. Water Resources: Consistent with the uses permitted by this Conservation Easement, Grantor may develop, enhance and maintain water resources on the Property for habitat restoration, water consumption, and permitted recreation uses, provided that such activities are consistent with and do not violate PG&E's Reserved Rights. Permitted uses include, without limitation, the construction, repair, and maintenance of ponds and irrigation systems; and the development of water capture and delivery facilities, including but not limited to water lines and access roads or trails to water facilities consistent with Section 5 and Section 7 of this **Exhibit F**. Water may be exported off the Property for immediate fire control response or wildfire emergency. Other than as permitted in this paragraph, the manipulation, impoundment, or alteration of any natural swale, natural water course, non-human constructed channel, wetland, stream-bank, vernal pool, water circulation, or any other body of water are prohibited.

11. Water Rights: The transfer, encumbrance, sale, lease, severance, or other separation of the mineral, or water rights for the Property by Grantor is prohibited without the prior written consent of each Grantee, which each Grantee may withhold in its absolute discretion, and otherwise in accordance with Section 10 of this Conservation Easement. The following are also prohibited: changing the place or purpose of use of any water rights; abandoning or allowing the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, reservoir or storage rights, wells, ground water rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Property, including but not limited to: (1) riparian water rights; (2) appropriative water rights; (3) rights to waters which are secured under contract with any irrigation or water district, to the extent such waters are customarily applied to the Property; and (4) any groundwater from wells that are in existence or may be constructed in the future on the Property; but the preceding shall not restrict the right of Grantor to enter into sales, purchases, leases, exchanges, and other transactions in water rights, e.g. forbearance agreement or use of Water Code section 1707, to a government agency or nonprofit organization for wildlife, ecological enhancement purposes, or other in-stream Conservation Values, subject to sole discretion and prior written approval of each Grantee under Section 10(b), provided that any such transfer does not significantly impair other Conservation Values of this Conservation Easement.

12. Air Rights: The transfer, encumbrance, sale, lease, severance or other

separation of the air rights attached to the Property by Grantor is prohibited without the prior written consent of each Grantee, which each Grantee may withhold in its absolute discretion. Grantor shall not use or authorize others to use the airspace above the Property for commercial or private aviation, including but not limited to, airplane flights, ultralight flights; hang gliding; glider flights; rotor craft flights; balloon flights; airship flights; and light sport airplane flights. Grantor may use unmanned aerial vehicles for management purposes, but shall not authorize others to use such airspace above the Property for that purpose. Grantees may use unmanned aerial vehicles for monitoring purposes, provided each or both notifies Grantor in writing of such intended use thirty (30) days in advance of each flight.

13. Natural Resource Management: Grantor may protect, restore and enhance the natural resources on the Property, including, without limitation, stabilization of banks and soils, vegetation management; fire control and the enhancement of biodiversity, all, in accordance with sound, generally accepted practices such as prescriptive grazing, prescriptive burning, harvesting, thinning, planting and brush removal, provided such activities do not significantly impair the Conservation Values. The intentional introduction of non-native tree or other plant species is prohibited. Grantor may remove or control invasive, non-native plant species or feral, non-native animal species, using techniques that minimize harm to native wildlife and plants, provided such activities do not significantly impair the Conservation Values.

14. Refuse and Hazardous Materials: The dumping, deposit, permanent storage and/or disposal of refuse, soil, trash, contaminated soil, waste, bio-solids, debris, sewer sludge, agrichemicals, herbicides, pesticides, or any other dangerous, toxic, hazardous or unsightly materials on the Property is prohibited.

15. Minerals: Grantor may not explore for or extract minerals on the Property, provided that notwithstanding the foregoing, the Grantor may remove existing rocks from the Property to be used for the purpose of blocking off roads, delineating camping areas and for other purposes approved by the Grantees under Section 10(b), which approval shall not be unreasonably withheld, conditioned or delayed. Grantor may further remove gravel and shale for the purposes of building permitted structures and/or maintaining permitted roads on the Property. No removal of rocks may occur within 50' slope distance of any watercourse, as such term is defined in the California Forest Practice Rules 2013, Title 14 California Code of Regulations, Chapter 4 Article 1, 895.1, as amended. Erosion control and drainage structures are not considered "man-made watercourses" under this Easement. Other than as permitted by this paragraph, the filling, dumping, excavating, draining, dredging, mining, hydraulic fracturing, drilling, removing or exploring for or extracting minerals, loam, soil, sands, hydrocarbons, gravel, rocks or other similar material on or below the surface of the Property, or granting or authorizing surface entry for any such purpose is prohibited.

16. Forest Management:

a. **Permitted Forestry Practices:** The Grantor reserves the right to harvest, cut or remove trees and vegetation for the following purposes and to use or sell the timber products resulting from such activities, all following the approval of and in accordance with the forest management component of the Management Plan ("Forest

Management Plan Component”):

- (i) for firewood for use on the Property and for direct, personal use by members of the Maidu community outside the Property, provided such use does not significantly impair the Conservation Values;
- (ii) for the removal of trees and milling of lumber to be used by Grantor for construction purposes on the Property as permitted by this Easement, in connection with which Grantor may make use of a portable sawmill on the Property;
- (iii) to prevent, mitigate and/or respond to any natural disaster (such as wildfire, insect and disease outbreak, drought or wind damage), including the salvage and removal of dead, dying, or diseased timber; and the creation of fuel breaks;
- (iv) to promote the health and sustainability of the Property’s natural resources, to restore and maintain an ecologically appropriate mix of overstory and understory vegetation and to control invasive and non-native vegetation, with the goal of old growth stand establishment and management;
- (v) to reduce or manage fuel loads, favor or maintain specific native vegetation types, or otherwise promote forest health by prescriptive burns and fire management activities including but not limited to grazing by goats or other herbivores;
- (vi) for wildlife habitat restoration or management; and
- (vii) for the removal of trees in connection with the clearing of areas for structures as permitted by this Conservation Easement.

Prior to the approval of the Forest Management Plan Component, Grantor may harvest, cut or remove trees and vegetation for the purposes of ensuring public or personal safety on the Property.

Grantor further may carry out forest management activities not expressly set forth above, provided, however, that all such activities are conducted in a manner that is consistent with the Conservation Purposes and other terms and conditions of this Conservation Easement. Snags shall be retained for wildlife habitat benefits and shall not be intentionally removed, except for reasons of public safety or adherence to the objectives of the Management Plan, and in accordance with the requirements of the California Forest Practice Act and Rules;

b. **Forest Management Planning**: The Forest Management Component of the Management Plan, which shall be prepared and approved by a Registered Professional Forester or by an equivalent professional that is reasonably acceptable to the Grantees. The goals of the Forest Management Component of the Management Plan shall be to create, manage and preserve a healthy and vigorous forest with sustainable stands of native tree species; to manage the forest to improve resilience to

drought and pests; to reduce build-up of fuels that create risks of catastrophic fire; and to create and maintain a full and balanced variety of stand species, ages and characteristics; and to manage the forest to enhance wildlife and fish habitat as determined by Grantor. The Forest Management Component of the Management Plan will identify objectives to protect and enhance resources, including cultural resources. Planning will investigate the potential for a traditional demonstration management area to educate the public about Native American traditional ecological practices used in the area.

c. **Timber Harvest Plans:** With the exception of actions to mitigate threat(s) to public or personal safety, any permit applications associated with proposed Timber Harvest Plans, shall be submitted to Grantees for review and consultation under Section 10(a) of this Conservation Easement at least 30 days prior to the submission of the application to the California Department of Forestry and Fire Protection (“Cal Fire”). Grantor shall notify Grantees immediately of any proposed actions to be taken on an emergency basis to protect public or personal safety. If review of the proposed Timber Harvest Plan by Cal Fire results in modifications to the proposed Timber Harvest Plan, Grantor shall further consult with Grantees in accordance with Section 10(a) of this Conservation Easement.

d. **Reports:** Grantor shall submit to Grantees a report on harvest levels and their impact, if any, on the Conservation Purposes and Conservation Values of the Property every ten (10) years. Grantees and the Grantor may agree that the report can be deferred beyond the ten-year period.

17. Fire Management: Fire protection and suppression activities shall be permitted on the Property, provided such activities do not significantly impair the Conservation Values. Except where Grantor is required to take emergency action to protect public or personal safety, Grantor shall consult with Grantees under Section 10(a) before undertaking any fire management activities under this Section 17. Where Grantor is required to take emergency action to protect public or personal safety, such action shall be carried out in a manner designed to minimize impacts on the Conservation Values.

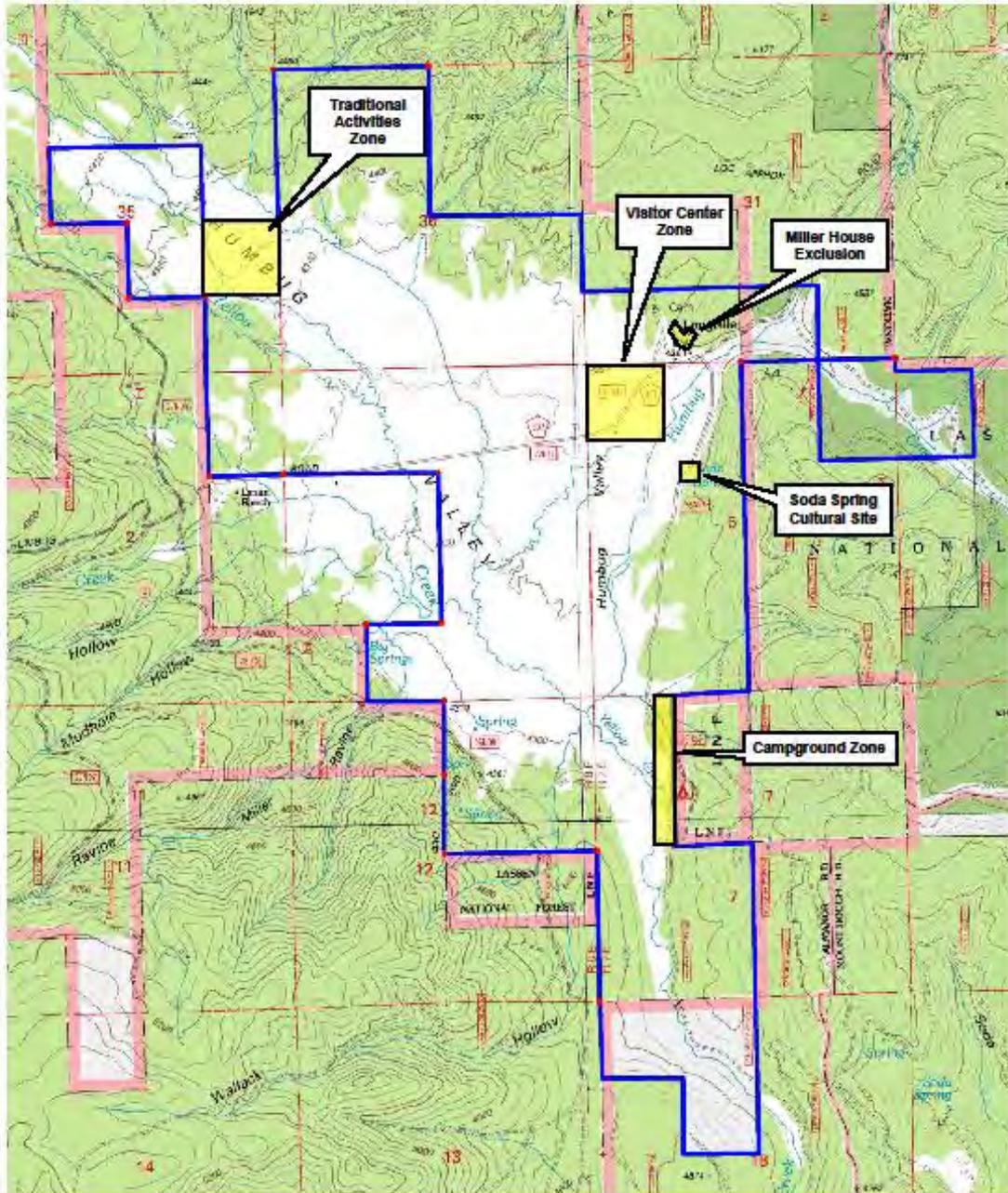
18. Carbon Rights: Grantor hereby reserves for itself and its successors and assigns all carbon rights and the right to sell carbon rights that are part of and appurtenant to the Property for forest-based carbon storage occurring by virtue of the forest management and other restrictions established herein starting as of the Effective Date. For the purposes of this Easement, carbon rights and carbon as described herein are rights that currently exist or may come to exist in the future and are associated with the absorption by plants of carbon dioxide from the atmosphere and its conversion to carbon stored in trees and plants on the Property or stored in wood products extracted pursuant to forest management activities permitted herein, and trees and other vegetation and associated roots, surface duff and organic elements in the soil on the Property;

19. Agriculture: Ranching and commercial and non-commercial production of agricultural crops is limited to (1) the planting and harvesting of native plants at

temporary and mobile sites, as may become viable for the Grantor in the future; (2) other ranching and agricultural activities which do not significantly impair the Conservation Values, provided such uses are approved in advance by the Grantees, which approval shall not be unreasonably withheld, conditioned or delayed; and (3) as otherwise permitted by this Conservation Easement. Other than as permitted by this Section 19, the plowing, disking, cultivation, ripping, planting, sowing, irrigation, or any other conversion of the Property to crops, orchards, vineyards, or any other agricultural use or disturbance of the Property and its native vegetation are prohibited. Intentional seeding, planting, or introduction of exotic or non-native plant species are prohibited.

20. Vehicle Use : Grantor may authorize the use of motorized vehicles on designated roadways for the recreational uses permitted in Section 8 of this **Exhibit F**. Commercial recreational vehicle use is prohibited. Grantor shall take reasonable and practicable actions to ensure that all vehicles use only designated roads, and that unauthorized third parties are prevented from using motorized vehicles on the Property, provided, however, that Grantor shall not be responsible for injuries or changes to the Property caused by such uses beyond Grantor's control. In no event shall any all-terrain vehicles, off-road vehicles, or off-highway vehicles, including without limitation four-wheelers, three-wheelers, snowmobiles, and/or motorcycles be used off designated roadways, except when used by Grantor for management or cultural purposes, provided such uses do not significantly impair the Conservation Values.

EXHIBIT G
Map of Zones



Traditional Activities Zone	40 acres	Miller House Exclusion	2.0 acres
Visitor Center Zone	40 acres	Campground Zone	20 acres
Soda Spring Cultural Site	2.5 acres		

EXHIBIT H

Insurance Requirements

Grantor shall procure, carry, and maintain at all times the following insurance coverage:

1. Workers' Compensation and Employers' Liability:
 - a. Workers' compensation insurance or self-insurance indicating compliance with any applicable federal or state labor codes, laws, or statutes.
 - b. Employers' liability insurance shall not be less than **one hundred thousand dollars (\$100,000)** for injury or death each accident.

2. Commercial General Liability:
 - a. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
 - b. The limit shall not be less than **one million dollars (\$1,000,000)** each occurrence and **two million dollars (\$2,000,000)** aggregate for bodily injury, property damage, and personal injury.
 - c. Coverage shall add as additional insureds Grantees, their directors, officers, employees, and volunteers with respect to liability arising out of work performed by or for Grantor, and Coverage shall be endorsed to specify that Grantor's insurance is primary.

3. Business Auto:
 - a. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, Code 1 "any auto".
 - b. The limit shall not be less than **one million dollars (\$1,000,000)** each accident for bodily injury and property damage.

4. Additional Insurance Provisions:
 - a. Upon change in carrier or coverage, or otherwise upon request of either Grantee, Grantor shall furnish Grantees with certificates of insurance and endorsements of all required insurance for Grantor.
 - b. The documentation shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to Grantees.
 - c. Upon request by either Grantee, not to exceed once annually, Grantor shall furnish Grantees with complete copies of its policies, the policies of its agents or contractors, or both.

EXHIBIT I
Power of Termination

EXHIBIT J
Encumbrances

930784.2



Appendix 4: Conservation Easement Funding Agreement

Conservation Easement Funding Agreement Humbug Valley Planning Unit – Lands Donated to Maidu Summit Consortium

This Conservation Easement Funding Agreement (“Agreement”) is entered into as of the Effective Date (defined below) by and between the **Pacific Forest and Watershed Lands Stewardship Council**, a California nonprofit public benefit corporation (the “Stewardship Council”) and the **Feather River Land Trust (FRLT)**, a California nonprofit public benefit corporation (“Grantee”) with reference to the following facts:

A. The Stewardship Council was created to oversee the “Land Conservation Commitment” described in (1) that certain Settlement Agreement among Pacific Gas and Electric Company (“PG&E”), PG&E Corporation, and the California Public Utilities Commission (the “Commission”) as modified and approved by the Commission in its Opinion and Order of December 18, 2003 (Decision 03-12-035) (the “Settlement Agreement”); and (2) that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (the “Stipulation”).

B. Pursuant to the Settlement Agreement and Stipulation, certain lands owned by PG&E at the time of the Settlement (the “PG&E Watershed Lands”) are to be conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The Stewardship Council is charged with developing a Land Conservation Plan for the protection and enhancement of the PG&E Watershed Lands.

C. Grantee is a publicly-supported, tax exempt nonprofit organization, qualified under Section 501 (c)(3) of the Internal Revenue Code (“IRC”), whose primary purpose is to preserve, protect or enhance, land in its natural scenic, historical agricultural, forested or open space condition or use and conserve natural areas for aesthetic, scientific, charitable and educational purposes. Grantee is eligible to hold a conservation easement pursuant to California Civil Code Section 815.3.

D. In connection with the Land Conservation Commitment, Grantee has agreed to accept a perpetual conservation easement created pursuant to California Civil Code Section 815 *et seq.* (the “Conservation Easement”) over a portion of the PG&E Watershed Lands that is being donated to Maidu Summit Consortium (MSC) consisting of approximately 2,325 acres of real property located in the County of Plumas, State of California, indicated by all or a portion of parcels #699-702 on the drawing attached as more particularly described in **Exhibit A** attached hereto and incorporated herein by reference (the “Property”).

E. In consideration of Grantee’s agreement to accept the Conservation Easement and assume the duties and obligations of the easement holder, the Stewardship Council has agreed to provide funding to Grantee in the amounts and subject to the terms and conditions described below.



Appendix 4: Conservation Easement Funding Agreement

NOW, THEREFORE, the Stewardship Council and Grantee agree as follows:

1. Effective Date. This Agreement shall become effective upon the recording of the Conservation Easement in favor of Grantee in the Official Records of Plumas County (the “Effective Date”). It is understood and agreed that if for any reason whatsoever the recording of the Conservation Easement does not occur on or before December 31, 2019, this Agreement shall be of no further force or effect and the parties shall thereupon be released from any obligations under this Agreement.

2. Grant. Effective upon the Effective Date, the Stewardship Council grants **Two Hundred Seventy Thousand Dollars (\$270,000)** (the “Grant Funds”) to Grantee. The Grant Funds shall be payable to Grantee within thirty (30) days of the Effective Date. Grantee will use the Grant Funds for the purposes described in this Agreement and for no other purpose without the prior written consent of the Stewardship Council. The Stewardship Council reserves the right to require the total or partial return of Grant Funds in the event Grantee fails to comply with the terms and conditions of this Agreement.

3. Grant Restrictions. The use of the Grant Funds shall be restricted as follows:

a. No less than One Hundred Thirty Thousand Dollars (\$130,000) of the Grant Funds shall be deposited into a non-wasting endowment restricted solely for the purpose of funding Grantee’s costs for the stewardship and monitoring of conservation easements on the Watershed Properties (the “Endowment Monitoring and Stewardship Funds”). The types of allowable expenditures of these funds are described in Sections 5 and 6 below.

b. Ten Thousand Dollars (\$10,000) of the Grant Funds shall be restricted to the legal defense and enforcement of conservation easements held by Grantee, including, but not limited to, the conservation easements established on the Watershed Properties (the “Defense and Enforcement Funds”). The types of allowable expenditures of these funds is described in Section 8 below.

c. The remainder of the Grant Funds shall be restricted for the purpose of funding Grantee’s costs for the stewardship and monitoring of any conservation easements held by Grantee, including but not limited to the conservation easements on the Watershed Properties (the “General Monitoring and Stewardship Funds”). Grantee may use the General Monitoring and Stewardship Funds to monitor any of its conservation easements as long as Grantee meets its obligations as described in Section 5 below.

4. Grant Deposit Requirements.

a. Within thirty (30) days of receipt of funds, Grantee will provide the Stewardship Council with evidence of deposit of the Endowment Monitoring and Stewardship Funds into an account which shall be restricted solely for the purpose of funding Grantee’s costs for the stewardship and monitoring of conservation



Appendix 4: Conservation Easement Funding Agreement

easements on the Watershed Properties and shall be treated as a non-wasting endowment such that only earnings on the principal of the Endowment Monitoring and Stewardship Funds can be used by Grantee to cover the costs and expenses detailed in Sections 5 and 6 below for any Watershed Property conservation easement.

b. Within thirty (30) days of receipt of funds, Grantee will provide the Stewardship Council with evidence of deposit of the General Monitoring and Stewardship Funds and the Defense and Enforcement Funds into an account which shall be restricted to the stewardship, monitoring, and legal defense or enforcement of the conservation easements held by the Grantee, including but not limited to the Conservation Easement on the Property. This account is not required to be non-wasting. Notwithstanding the right of Grantee to deposit the Monitoring and Stewardship Funds and the Defense and Enforcement Funds into a single account, the use of each type of funds is restricted as provided in Section 3 above.

c. The requirement to provide evidence of deposit will be satisfied when Grantee submits to the Stewardship Council the form attached as **Exhibit B**.

5. Conservation Easement Monitoring. From and after the Effective Date, Grantee agrees to conduct regular monitoring of the Property to ensure compliance with the terms of the Conservation Easement. Grantee shall conduct on-site monitoring of the Property not less than annually to assess compliance with the terms and conditions of the Conservation Easement and note any material changes to the Property compared to the baseline documentation report and prior monitoring reports. Upon written request, the Stewardship Council or its designee shall be permitted to accompany the Grantee on its monitoring visits and to receive a copy of any monitoring report prepared by Grantee.

6. Endowment Monitoring and Stewardship Funds. Permissible uses of the Endowment Monitoring and Stewardship Funds shall include, but not be limited to:

a. Regular on-site inspection and monitoring to ensure that the terms of conservation easements on the Watershed Properties are being met;

b. Recordkeeping and preparation of reports, notices of violation, any written consent to be submitted to the fee title owner of the property which is subject to the easement, and other documentation related to the conservation easement and the Watershed Property;

c. Payments for staff, consultants and attorney time necessary to carry out Grantee's stewardship responsibilities with regard to the conservation easements on the Watershed Properties;

d. Communications with the fee title owner of the Watershed Property which is subject to the easement regarding the provisions of the conservation easement and planned or completed activities on the lands to be performed or allowed by the fee title owner or a licensee/lessee;



Appendix 4: Conservation Easement Funding Agreement

e. Responding to any inquiries or concerns raised by entities that have leases or licenses on the Watershed Property or other stakeholders who have an interest in ensuring the beneficial public values are protected.

f. Payment of premiums charged for General Liability insurance coverage on the Property.

7. General Monitoring and Stewardship Funds Permissible uses of General Monitoring and Stewardship Funds shall include, but not be limited to the activities described in Section 6 above with regard to any of the conservation easements held by Grantee.

8. Defense and Enforcement Funds. Grantee shall be permitted to use the Defense and Enforcement Funds for the following purposes related to any conservation easement held by Grantee.

a. To make direct expenditures of attorneys' fees, costs and disbursements incurred in connection with proceedings to enforce and/or defend the provisions of a conservation easement against legal challenge, including any claims by third parties;

b. To “pool” funds for legal expenses to enforce and/or defend against legal challenge conservation easements held by the Grantee, including without limitation the Conservation Easement on the Property;

c. To pay premiums into a Conservation Defense Insurance Program offered through the Land Trust Alliance, or other nationally-recognized conservation organization of which Grantee is a member for the enforcement and defense of conservation easements held by member organizations, or to cover deductibles related to such insurance.

9. Grant Report. Grantee agrees to submit to the Stewardship Council and/or its designee the following grant Status Reports pursuant to this Agreement. The initial Status Report shall be submitted to the Stewardship Council by the fourth quarter of the 2019 calendar year and include data up to the date of the initial Status Report. The final Status Report shall be submitted to the Stewardship Council or its designee on or before December 31, 2023. The due dates of the initial and final Status Reports can be changed by the Stewardship Council or its designee with at least 60 days written notice to Grantee. The Stewardship Council or its designee shall notify Grantee in a timely manner of the form and content of each Status Report, which shall include, at a minimum:

a. Copies of annual monitoring reports pertaining to the Conservation Easement for years selected by the Stewardship Council or its designee;

Appendix 4: Conservation Easement Funding Agreement

b. A statement as to whether any violations of the Conservation Easement were observed during the reporting period, and the outcome of any action taken to correct such violation;

c. A statement as to whether any amendments to the Conservation Easement were approved during the reporting period, with copies of any such amendments included in the Status Reports;

d. A statement as to whether fee title of the property was conveyed, the date of such conveyance, and the identity of the transferee; and

e. A report providing an accounting of how the Grant Funds have been invested or expended in furtherance of the purposes of this Agreement.

10. Records. Grantee will indicate the Grant Funds separately on its books of account, and maintain such records in accordance with generally accepted accounting principles. Grantee shall additionally maintain written records including the baseline documentation report, the Deed of Conservation Easement, any amendments to the Conservation Easement, other transaction documents, and copies of monitoring reports, notices to the landowner, and other communications pursuant to the Conservation Easement in accordance with the practices generally accepted in the land trust community.

11. Inspection. The Stewardship Council or its designee shall have the right to inspect the books and records of Grantee and evaluate Grantee's use of Grant Funds, so long as (i) such inspection or evaluation occurs during regular business hours; (ii) such inspection or evaluation does not unreasonably interfere with Grantee's regular operations; and (iii) the Stewardship Council or its designee provides at least three (3) days prior notice of any such inspection or evaluation.

12. Assignment and Transfer of Funds. Grantee shall not assign its interest under the Conservation Easement except in accordance with the provisions of the Conservation Easement relating to permitted assignments. In the event that Grantee assigns its interest under the Conservation Easement to a successor conservation easement holder ("Assignee"), Grantee shall transfer all Grant Funds in its possession to Assignee and require that Assignee and assume all of Grantee's obligations under this agreement.

13. Publicity. The Stewardship Council may include information regarding this Agreement and Grantee in its periodic public reports, press releases, or other public communications.



Appendix 4: Conservation Easement Funding Agreement

14. Representations and Warranties. Grantee warrants and represents that it is a tax exempt organization under Section 501(c)(3) of the IRC, and is not a private foundation as defined in section 509(a) of the IRC or is an exempt operating foundation described in Section 4940(d)(2) of the IRC. Grantee further represents and warrants that it shall not use the Grant Funds to attempt to influence legislation or otherwise carry out lobbying activities within the meaning of Sections 501(h), 4911, 4945(d)(1) or 4945(e) of the IRC. No part of the Grant Funds may be used to attempt to influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive. No part of the Grant Funds may be used for purposes other than charitable, scientific, literary, or educational purposes within the meaning of IRC Section 170(c)(2)(B).

Grantee does not knowingly employ individuals or contribute funds to organizations found on any terrorist-related list prepared by the U.S. Government, the United Nations, or the European Union, including the Department of Treasury's Office of Foreign Assets Control Specially Designated Nationals List, the Department of Justice's Terrorist Exclusion List, or the list attached to Executive Order 13224. Should any change occur with respect to the preceding sentence, Grantee will notify the Stewardship Council within 7 days of such change.

15. Indemnification. Grantee hereby agrees to indemnify, defend, and hold harmless the Stewardship Council, and the Stewardship Council's past, present and future officers, directors, and employees, from and against any and all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, and reasonable attorney fees and costs, that they may incur or suffer and that result from, or are related to, the receipt and use of the Grant Funds by Grantee.

16. Limit of Stewardship Council Obligations. The Stewardship Council's obligations under this Agreement shall under no circumstances exceed the Grant Funds amount set forth in Section 2 above.

17. Assignment. This Agreement may not be assigned by the Grantee in whole or in part except as provided in Section 12 above. The Stewardship Council may assign its rights and delegate its obligations under this Agreement to a third party at the Stewardship Council's sole discretion. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit and burden of the parties and their respective heirs, successors and assigns.

18. Amendment; Entire Agreement. This Agreement may not be amended or modified except by written instrument signed by both parties. This Agreement constitutes the entire understanding of the parties concerning the subject



Appendix 4: Conservation Easement Funding Agreement

matter hereof, and supersedes any and all previous negotiations, agreements, or understandings, if any, regarding the matters contained herein.

19. Governing Law. This Agreement shall be governed by the laws of the State of California.

20. Counterparts. This Agreement may be executed in counterparts which together shall constitute a single agreement.

Pacific Forest and Watershed Lands Stewardship Council,
a California Nonprofit Public Benefit Corporation

By: _____

Title: Heidi Krolick, Executive Director

Date: _____

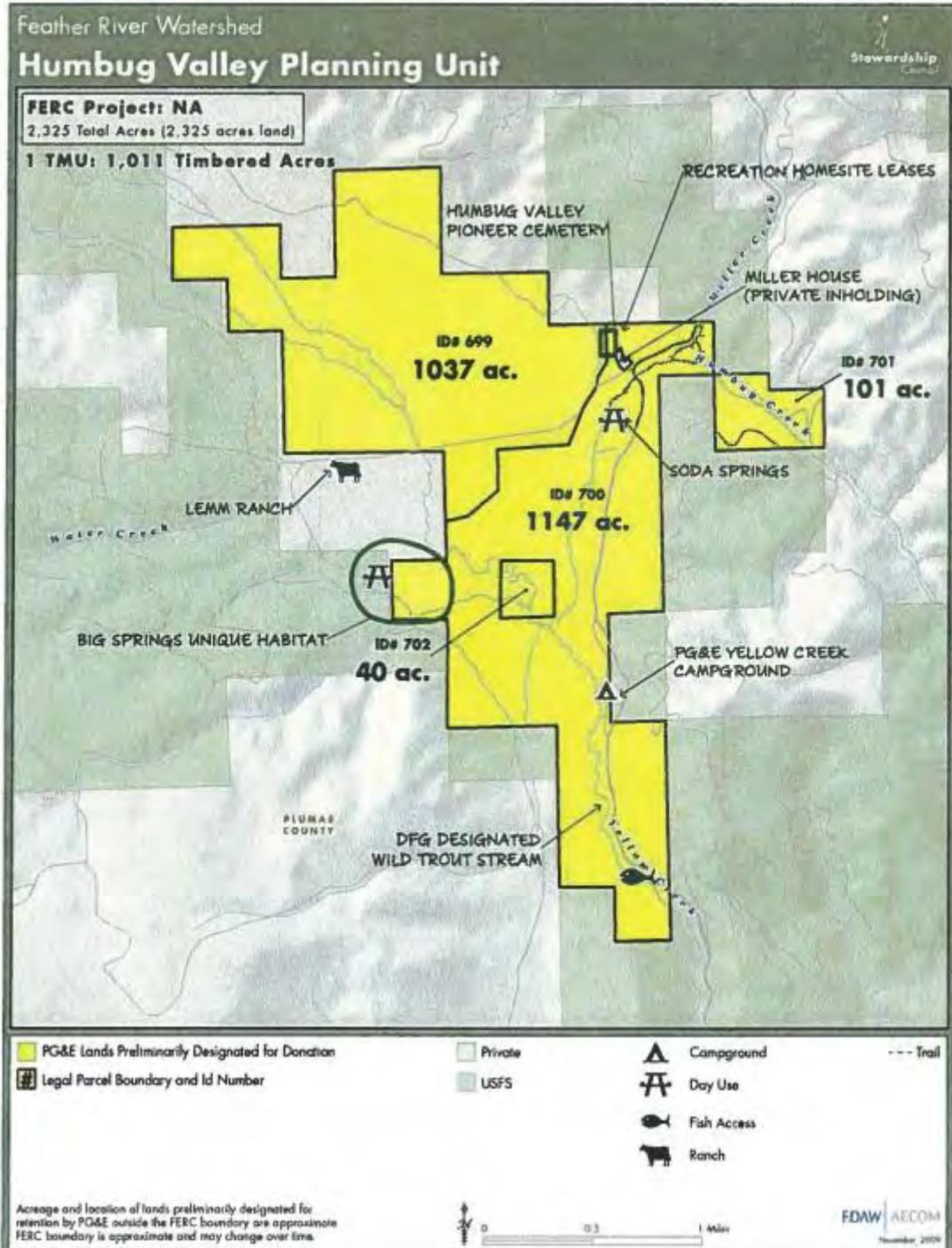
Feather River Land Trust
a California Nonprofit Public Benefit Corporation

By: _____

Title: _____

Date: _____

Exhibit A





Appendix 4: Conservation Easement Funding Agreement

EXHIBIT B TO CONSERVATION EASEMENT FUNDING AGREEMENT

Evidence of Grant Fund Deposit and Restriction of Use Certification

Date:	Planning Unit/Property Title:
Grantee Name:	Grantee Address:

*Date of Deposit of Grant Funds:		Amount Deposited:
Bank Name:	Account Name:	Account #:
Certification of Deposit of Grant Funds and Restricted use of Monitoring of Conservation Easement Funds		
I, hereby state that the above referenced information is true and accurate, and understand that the above information, if misrepresented, or incomplete, may be grounds for immediate repayment of grant funds. I also agree that account activity will be restricted to the permissible uses of Monitoring Funds as set forth in Section 4 of the Grant Agreement.		
Name:	Title:	
Signature:	Date:	

*Date of Deposit of Grant Funds:		Amount Deposited:
Bank Name:	Account Name:	Account #:
Certification of Deposit of Grant Funds and Restricted Use of Defense & Enforcement Funds		
I, hereby state that the above referenced information is true and accurate, and understand that the above information, if misrepresented, or incomplete, may be grounds for immediate repayment of grant funds. I also agree that account activity will be restricted to the permissible uses of the Defense and Enforcement Funds as set forth in Section 5 of the Grant Agreement.		
Name:	Title:	
Signature:	Date:	

Return to:
 Stewardship Council
 3300 Douglas Blvd, Suite 250
 Roseville, CA 95661
Phone: (916)297-6660

PROPERTY TAX NEUTRALITY METHODOLOGY

INTRODUCTION

The Settlement Agreement¹ and Stipulation² that established the Land Conservation Commitment require that the Land Conservation Plan being developed by the Stewardship Council provide property tax revenue, other equivalent revenue source, or a lump sum payment, so that the totality of dispositions in each affected county will be “tax neutral” for each county. Section 4.3 of Volume I of the Land Conservation Plan (LCP) adopted by the Stewardship Council in November 2007 described the Stewardship Council’s potential strategies and anticipated approach to achieving property tax neutrality at a programmatic level.

More recently, on September 17, 2009, the Stewardship Council adopted a funding policy. This policy further clarified the Stewardship Council’s approach to property tax neutrality and identified several potential vehicles to achieving this requirement. On March 30, 2011, the Stewardship Council adopted a set of guidelines which describe scenarios in which the Stewardship Council will make property tax payments to affected counties and further defined a set of overarching assumptions regarding property tax neutrality payments.

Table 1 in Appendix A lists the estimated acreage and estimated annual property taxes associated with PG&E watershed lands which have been recommended by the Stewardship Council Board of Directors for donation. The estimated total tax liability that would be subject to tax neutrality will depend upon the total acreage actually transferred, and the types of organizations receiving fee title to the lands. No PG&E watershed lands will be recommended for donation in counties that are not listed in Table 1.

PURPOSE OF PROPOSED METHODOLOGY

The purpose of this methodology is to establish a standard payment process when lands are transferred to organizations that are exempt from paying property taxes. The following methodology will be applied to all counties which experience a loss in property tax revenues due to a recommended donation of fee title as part of the Stewardship Council’s Land Conservation Commitment.

DETERMINING TAX NEUTRALITY PAYMENT AMOUNT

Following the Stewardship Council approval of a fee-title donation, the Stewardship Council will work with the affected county to calculate the payment amount for inclusion in the Stewardship Council’s Land Conservation and Conveyance Plan (LCCP).

1. Using the legal description and/or survey of lands identified for transfer to an organization which is exempt from paying property taxes, the Stewardship Council and PG&E will prepare an estimate of the annual taxes on lands to be donated. If assessed values on the lands recommended for donation change prior to the transfer of land, the

¹ *Opinion Modifying the Proposed Settlement Agreement of Pacific Gas & Electric Company, PG&E Corporation and the Commission Staff, and Approving the Modified Settlement Agreement*, December 18, 2003:

http://www.stewardshipcouncil.org/documents/Settlement_Agreement.pdf

² *Stipulation Resolving Issues Regarding the Land Conservation Commitment*, September 25, 2003:

http://www.stewardshipcouncil.org/documents/Stipulation_Agreement.pdf

Appendix 5: Tax Neutrality Methodology

Adopted 06/27/2012
Amended 06/24/2015
Amended 01/21/2016
Amended 11/15/2017

Stewardship Council will revise the payment calculation included in the proposed tax neutrality funding agreement prior to its execution by the parties.

2. The reduction in annual taxes caused by the donation of acres to organizations exempt from property tax will constitute the “Annual Base Value” for the funding calculation.
3. The County will receive a one-time lump sum payment The Stewardship Council will provide a draft funding agreement for county review and approval using the Annual Base Value and payment option. The draft funding agreement is expected to include, among other items, the following acknowledgements by the county:
 - a. Payment by the Stewardship Council satisfies the tax neutrality requirement as specified in the Settlement and Stipulation for the subject fee-title donation.
 - b. The county has issued (or will not reasonably withhold) a Welfare Tax Exemption for the new landowner, if required.
 - c. The county will agree to distribute the lump-sum payment to the applicable special districts as dictated in the relevant Tax Rate Area at the time of payment. In consideration for the additional administrative responsibility of the county to set up the process to allocate payments to special districts, the Stewardship Council will make a \$3,000 payment to the county for county’s anticipated costs to perform such activities for the first fee title donation of lands in the county. Said payment will be made at the time the Stewardship Council makes its lump-sum tax neutrality payment. For subsequent fee title donations, if a county expects to incur more than \$3,000 in costs to perform such activities, then it shall make a request to the Stewardship Council for increased funding no later than 60 days following the recording of the grant deed for each additional fee title donation or the execution of a tax neutrality funding agreement, whichever comes later. The Stewardship Council will review each funding request and provide the county with sufficient funds to cover all reasonable anticipated costs.
4. The Stewardship Council will fund the settlement amount according to the terms of the tax neutrality funding agreement as described in number 3 above no later than 60 days following the recording of the grant deed for the fee title donation or the execution of a tax neutrality funding agreement, whichever comes later.

Lump-sum payment

Lump-sum payments in satisfaction of property tax neutrality would be calculated based upon the net present value of the Annual Base Value at the time that lands are removed from the property tax rolls. The lump-sum payment will be calculated using a discounted cash flows analysis for perpetual payment streams, otherwise known as a Capitalization Rate (Cap Rate).

The Cap Rate calculation requires an assumption of a long-term rate of return on comparable investments, and a long-term inflation rate. In order to develop a Cap Rate for a lump-sum payment, the Stewardship Council considered multiple long-term inputs, including long term equity and fixed income returns (Dow Jones Industrial Average, S&P 500, U.S. Treasury,

Appendix 5: Tax Neutrality Methodology

Adopted 06/27/2012
Amended 06/24/2015
Amended 01/21/2016
Amended 11/15/2017

CalPERS), weighted average borrowing costs for subject counties, and discount rate assumptions for pension and other post-employment benefits.

Based upon the analysis described above, **the Stewardship Council is offering counties a Cap Rate of 4.0%** to be used in the calculation of a lump-sum payment in satisfaction of property tax neutrality. The calculation for arriving at a lump-sum payment is as follows:

$$\text{Lump Sum Value} = \text{Annual Base Value} \div 4.0\%$$

The following table provides an example of the application of the Cap Rate to various Annual Base Values:

Annual Base Value	\$500	\$1,000	\$5,000	\$10,000
Lump Sum at 4.0%	\$12,500	\$25,000	\$125,000	\$250,000

Lump-sum payments would be allocated based upon the applicable Tax Rate Area at the time of payment. The Stewardship Council envisions making these lump-sum payments as unrestricted payments in lieu of property taxes, subject to the distribution method described in section 4.c above. Counties and special districts would be free to determine the best use of the funds pursuant to the needs of the county or special district, including, if desired investment in a shared investment pool of the county's choosing.

Appendix A

Estimated acreage and property taxes associated with PG&E watershed lands which have been recommended by the Stewardship Council Board of Directors for donation.

Table 1

Table 1 – Estimated Property Taxes From Land Available for Donation³

County	Lands Available for Donation	Total Taxes (Annual)	Total Taxes (Lump)
Alpine	410	2,948	\$73,691
Amador	2,040	\$8,577	\$214,431
Butte	N/A	\$0	\$0
Calaveras	60	\$53	\$1,320
El Dorado	N/A	\$0	\$0
Fresno	267	\$2,413	\$60,334
Kern	N/A	\$0	\$0
Lake	986	\$31,844	\$796,090
Lassen	N/A	\$0	\$0
Madera	220	\$10,271	\$256,770
Mariposa	N/A	\$0	\$0
Mendocino	797	\$17,011	\$425,289

Appendix 5: Tax Neutrality Methodology

*Adopted 06/27/2012
 Amended 06/24/2015
 Amended 01/21/2016
 Amended 11/15/2017*

Merced	N/A	\$0	\$0
Nevada	1,867	\$13,150	\$328,758
Placer	2,683	\$46,794	\$1,169,882
Plumas	3,278	\$40,873	\$1,021,828
San Luis Obispo	N/A	\$0	\$0
Shasta	23,386	\$89,727	\$2,243,172
Tehama	151	\$45	\$1125
Tulare	N/A	\$0	\$0
Tuolumne	868	\$360	\$9,9009
Yuba	41	\$530	\$13,256
Total	\$37,054	\$264,597	\$6,614,955

^a This acreage includes lands within parcels that cross county boundaries

APPENDIX E
LAND CONSERVATION COMMITMENT

STATEMENT OF PURPOSE

PG&E shall ensure that the Watershed Lands it owns and Carizzo Plains are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values. PG&E will protect these beneficial public values associated with the Watershed Lands and Carizzo Plains from uses that would conflict with their conservation. PG&E recognizes that such lands are important to maintaining the quality of life of local communities and all the people of California in many ways, and it is PG&E's intention to protect and preserve the beneficial public values of these lands under the terms of any agreements concerning their future ownership or management.

PG&E Environmental Enhancement Corporation will develop a plan for protection of these lands for the benefit of the citizens of California. Protecting such lands will be accomplished through either (1) PG&E's donation of conservation easements to one or more public agencies or qualified conservation organizations consistent with these objectives, or (2) PG&E's donation of lands in fee to one or more public entities or qualified conservation organizations, whose ownership would be consistent with these conservation objectives.

-

COMMITMENTS

1. PG&E Shall Place Permanent Conservation Easements on or Donate Watershed Lands: The Watershed Lands and Carizzo Plains shall (1) be subject to permanent conservation easements restricting development of the lands so as to protect and preserve their beneficial public values, and/or (2) be donated in fee simple to one or more public entities or qualified non-profit conservation organizations, whose ownership will ensure the protection of these beneficial public values. PG&E will not be expected to make fee simple donations of Watershed Lands that contain PG&E's or a joint licensee's hydroelectric project features. In instances where PG&E has donated land in fee, some may be sold to private entities subject to conservation easements and others, without significant public interest value, may be sold to private entities with few or no restrictions.

The conservation easements shall provide for the preservation of land areas for the protection of the natural habitat of fish, wildlife and plants, the preservation of open space, outdoor recreation by the general public, sustainable forestry, agricultural uses, and historic values and, shall prevent any other uses that will significantly impair or interfere with those values. Conservation easements on the Watershed Lands will include an express reservation of a right for continued operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and

I.02-04-026

future water delivery requirements for power generation and consumptive water use by existing users, compliance with any FERC license, FERC license renewal or other regulatory requirements. In addition, easements will honor existing agreements for economic uses, including consumptive water deliveries. The conservation easements shall be donated to and managed by one or more non-profit conservation trustees, qualified conservation organizations or public agencies with the experience and expertise to fully and strictly implement the conservation easements.

2. Process For Development of the Conservation Easements and Land Donation Plan: PG&E will work with PG&E Environmental Enhancement Corporation and the Commission in the development and implementation of the conservation easements and land donation plan. PG&E Environmental Enhancement Corporation will recommend to PG&E (1) conservation objectives for the properties, including identification of conservation values, (2) criteria for ultimate disposition of the properties, (3) conservation easements guidelines, and (4) land disposition plans.

3. Reporting Responsibilities: PG&E Environmental Enhancement Corporation will prepare a report to the Commission within 18 months of the Effective Date describing the status of the conservation easement and land disposition plan. PG&E Environmental Enhancement Corporation will make the report available to the public upon request. Every two years following the first report, PG&E Environmental Enhancement Corporation will prepare a report to the Commission on the implementation of the conservation easement and land disposition plan.

(END OF APPENDIX A)

Attachment B

Deed of Conservation Easement and Agreement

RECORDING REQUESTED BY AND)
 WHEN RECORDED MAIL TO:)
)
 Feather River Land Trust)
 Attn: Shelton Douthit, Executive Director)
 P.O. Box 1826)
 75 Court Street)
 Quincy, CA 95971)
)
 State of California)
 Wildlife Conservation Board)
 1807 13th Street, Suite 103)
 Sacramento, CA 95811)

Exhibit Draft 3.19.2019

Space Above Line for Recorder's Use Only

CONSERVATION EASEMENT DEED

THIS CONSERVATION EASEMENT DEED ("Conservation Easement") is made as of _____, 20__ ("Effective Date"), by MAIDU SUMMIT CONSORTIUM, a California nonprofit public benefit corporation ("MSC" or "Grantor"), in favor of FEATHER RIVER LAND TRUST, a California nonprofit public benefit corporation ("FRLT" or "Grantee") and THE STATE OF CALIFORNIA, acting by and through its Department of Fish and Wildlife ("CDFW" or "Grantee") (FRLT and CDFW are collectively referred to as "Grantees") (MSC, CDFW, and FRLT are sometimes referred to herein individually as "Party" and collectively as "Parties"), with reference to the following facts, circumstances, and terms:

RECITALS

A. **The Property.** Grantor is the fee title owner of certain real property ("Property") containing approximately 2,325 acres in Humbug Valley, known by the Maidu people as Tàsman Kojòm and located in the County of Plumas, State of California. The Property is legally described and depicted in **Exhibit A** attached hereto and incorporated herein by this reference.

B. **FRLT's Nonprofit Status.** FRLT is a California nonprofit public benefit corporation, exempt from federal income taxation under sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code of 1986, as amended ("IRC"), and qualified to acquire and hold conservation easements pursuant to California Civil Code section 815.3. FRLT is dedicated to conserving the land and waters of the Feather River

region and stewarding its ecological, cultural, and educational values for current and future generations.

C. **CDFW's Status.** The State of California recognizes the public importance and validity of conservation easements in California Civil Code section 815 *et seq.* CDFW has jurisdiction, pursuant to California Fish and Game Code section 1802, over the conservation, protection, and management of fish, wildlife, native plants and the habitat necessary for biologically sustainable populations of those species. CDFW is authorized to hold conservation easements for these purposes pursuant to California Civil Code section 815.3, California Fish and Game Code section 1348, and other provisions of California law.

D. **Grantor's Status.** The Property is owned in fee by MSC, a California nonprofit public benefit corporation exempt from federal income taxation under IRC section 501(c)(3). MSC is composed of representatives from exclusively Mountain Maidu groups. MSC is dedicated to land and water protection and stewardship throughout the Maidu homeland, in accordance with principles of Traditional Ecological Knowledge ("TEK"). TEK is the accumulation of thousands of years of understanding the interactions of people and the natural environment, gained by native people with intimate knowledge of their local environment, who depend on the sustainable use and management of natural resources for their survival. TEK is handed down through generations by cultural transmission. TEK is adapted to changing conditions in order to maintain historic continuity of resource use and protection.

E. **Transfer of Property to MSC.** Pacific Gas and Electric Company, a California corporation ("PG&E"), transferred to MSC the fee interest in the Property in accordance with that certain Grant Deed, being recorded in the Official Records of the County of Plumas, immediately prior to the recording hereof ("Grant Deed"), attached hereto as **Exhibit B** and incorporated herein by reference, subject to: (1) PG&E's reservation of certain rights in and to the Property, as set forth in the Grant Deed (referred to herein as the "PG&E Reserved Rights" in some instances and as "PG&E's Reserved Rights" in other instances); and (2) those legally-enforceable third-party rights to use the Property in effect as of the Effective Date, as listed on **Exhibit C** attached hereto and incorporated herein by this reference, true and complete copies of which have been provided to, and reviewed and accepted by, Grantees ("Express Third-Party Uses").

F. **Grantor's Relationship to the Property.** The mission of the Grantor is to contribute to the understanding and management of the Earth according to Mountain Maidu TEK and practices by supporting and enhancing Maidu cultural and physical connections to land and water. Grantor asserts that protection of the Conservation Values (as defined below), as required by this Conservation Easement, is consistent with traditional Maidu land management practices and principles. Grantor acquired the Property for the purpose of re-establishing a permanent place where Maidu cultural practices; traditional Maidu land management; and preservation, enhancement and restoration of native plant, fishery and wildlife habitats will be carried out.

G. **Governing Documents.** PG&E transferred fee title to the Property to MSC in connection with PG&E's implementation of the "Land Conservation Commitment," provided for in the following documents (collectively, "Governing Documents") and described more fully below: (i) that certain Settlement Agreement as modified and approved by the Public Utilities Commission of the State of California in its Opinion and Order of December 18, 2003 (Decision 03-12-035); and (ii) that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 ("Stipulation").

H. **Beneficial Public Values.** The Governing Documents require PG&E to ensure that approximately 140,000 acres of watershed lands, all located in California and owned by PG&E as of the date the Governing Documents were entered into (collectively, "Watershed Lands"), are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values (collectively, "Beneficial Public Values"). The Property is included in these Watershed Lands. The Land Conservation Commitment constitutes the obligations of PG&E to convey fee title and conservation easements to Watershed Lands, and to protect the Beneficial Public Values of the Watershed Lands, as well as certain other obligations related thereto, as set forth in detail in the Governing Documents. The Stipulation provides that conservation easements for Watershed Lands will preserve or enhance reasonable public access.

I. **The Property's Beneficial Public Values.** The Property includes the specific Beneficial Public Values identified on Exhibit D attached hereto and incorporated herein by this reference (collectively, "Conservation Values").

J. **PG&E Reserved Rights.** In accordance with the Governing Documents, the PG&E Reserved Rights constitute an express reservation in favor of PG&E of certain rights to continue operation and maintenance of hydroelectric facilities and associated water delivery facilities, including project replacements and improvements required to meet existing and future water delivery requirements for power generation and consumptive water use by existing users, compliance with any Federal Energy Regulatory Commission license or license renewal or other regulatory requirements.

K. **Continued Economic Uses.** The Governing Documents also include a requirement that conservation easements encumbering Watershed Lands honor existing agreements for economic uses, including consumptive water deliveries.

L. **Land Conservation Commitment.** Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California nonprofit public benefit corporation ("Stewardship Council"), was created to oversee and carry out the Land Conservation Commitment. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California ("Land Conservation Plan"). The Land Conservation

Plan includes, among other things, objectives to preserve and/or enhance the Beneficial Public Values identified on each parcel of Watershed Lands, including the Property.

M. **California Civil Code Section 815 et seq.** The Legislature of the State of California, as set forth in California Civil Code section 815 *et seq.*, has found and declared it to be the public policy and in the public interest of this state to encourage the preservation of land predominantly in its natural, scenic, agricultural, historical, forested, or open-space condition. In furtherance of the Land Conservation Commitment and the above-described public policy purposes, Grantor desires to grant a conservation easement over the Property to Grantees.

N. **Preservation and Protection in Perpetuity.** Grantor and Grantees each desire through this Conservation Easement to ensure the permanent protection of the Conservation Values on the Property, subject to PG&E's Reserved Rights and the Express Third-Party Uses. Specifically, the Parties desire to ensure that the Conservation Values on the Property will be preserved and protected in perpetuity as provided herein, and that uses of the Property that are inconsistent with these Conservation Values will be prevented or corrected.

GRANT OF CONSERVATION EASEMENT AND AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and pursuant to California law, including California Civil Code section 815, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantees a conservation easement in perpetuity over the Property, subject to and in accordance with the terms, covenants, and conditions of this Conservation Easement.

1. **Conservation Purposes.** The purposes of this Conservation Easement are to protect and preserve in perpetuity the Conservation Values of the Property by restricting any use of the Property that will significantly impair the Conservation Values ("Conservation Purposes"). Subject to the following terms and conditions, Grantor intends that it will use the Property in accordance with Maidu land management principles and practices based on TEK, and Grantor will confine uses of the Property to activities that are consistent with the Conservation Purposes and the terms of this Conservation Easement. As used herein, the terms "impair" or "impairment" mean to diminish in quantity, quality, value, strength or viability. As used in this Conservation Easement, the terms "significant" or "significantly", when used with "impair" or "impairment", respectively, mean a greater than negligible adverse impact or an impact for more than a transient period.

Grantor and Grantees acknowledge that the Governing Documents reflect the intention of the Parties thereto (a) to honor Express Third-Party Uses and (b) to continue to permit beneficial uses of the Property that preserve and/or enhance the

Conservation Values. It is intended that this Conservation Easement shall allow uses on the Property that are consistent with the protection and preservation of each of the Conservation Values in harmony with each other. While permitted actions required or taken to protect and preserve one or more individual Conservation Values may impair, on an individual and stand-alone basis, one or more other Conservation Values, Grantor and Grantees understand that achieving the Conservation Purposes requires the preservation and protection, on balance, of all the Conservation Values existing on the Property, to the maximum extent possible. The Parties recognize that in protecting and/or enhancing one or more of the Conservation Values, another Conservation Value may be impaired, but the Parties intend that this shall not be a permanent occurrence, or a reason to prioritize one Conservation Value over another. The Parties shall balance on an aggregate basis the Conservation Values on the whole Property whenever possible.

2. Land Management Plan.

Grantor's management of the Property shall be subject to a Land Management Plan prepared for the Property, as amended from time to time in accordance with this Conservation Easement ("Management Plan"). The Management Plan will be designed to (i) provide for Grantor's adaptive management of the Property in a manner consistent with the Conservation Purposes (as defined below) and the terms of this Conservation Easement, (ii) describe those studies, research, and monitoring activities CDFW will have the right to conduct on the Property in accordance with Section 3(b)(1) below; and (iii) set forth the forest management plan component as defined in Section 16 of Exhibit E. The Management Plan shall be approved by Grantor in writing after written notice to and consultation with Grantees under Section 10(a) below. Grantor may amend the Management Plan at any time after written notice to and consultation with Grantees. The Management Plan shall not replace, modify, or amend any of the terms, covenants or conditions of this Conservation Easement. The Conservation Easement shall govern if there are any inconsistencies between it and the Management Plan.

3. Rights Conveyed to Grantees.

(a) Rights of Grantees. To accomplish the Conservation Purposes, Grantor hereby grants and conveys the following rights to each of the Grantees:

(1) Right to Preserve and Protect. Each Grantee shall have the right to preserve and protect in perpetuity the Conservation Values of the Property in a manner consistent with the terms of this Conservation Easement. Each Grantee, in its sole and absolute discretion, shall have the right to prevent by any lawful means any activity on or use of the Property that is or may be a violation of the terms of this Conservation Easement, and to require the restoration of such areas or features of the Property that may be damaged by any act, failure to act, or any use or activity undertaken by Grantor or under Grantor's control that constitutes a violation of the terms of this Conservation Easement.

(2) **Right of Access to Inspect, Monitor and Enforce.** Each Grantee shall have the right to access and enter upon the Property using any easement or right of way appurtenant to the Property in order to exercise the following rights: (a) inspect the Property once annually to determine whether Grantor is in compliance with the terms of this Conservation Easement, provided that such Grantee provides written notice to Grantor and to the other Grantee at least thirty (30) days prior to the annual inspection, and that Grantor shall have the option to be present during any compliance monitoring; (b) exercise the rights which are granted to such Grantee herein; and (c) enforce the terms of this Conservation Easement, in accordance with Section 11 of this Conservation Easement, including without limitation, the right to restore the Conservation Values, provided, that such access and entry will be made in a manner that will not interfere unreasonably with the permitted use(s) or enjoyment of the Property by Grantor and any occupant(s) or user(s) of the Property pursuant to the terms of this Conservation Easement. Grantees shall schedule a date and time for the annual compliance monitoring visit that is reasonably acceptable to Grantor, and Grantees shall use reasonable efforts to coordinate with each other their annual compliance monitoring visits to the Property. The right of access to inspect and monitor shall not be assigned by either Grantee without the prior express written approval of the Grantor; provided, however, that either Grantee may authorize entry of its consultants to the extent they are assisting the Grantee in its monitoring obligations or other activities authorized by this Conservation Easement. Nothing in this section shall be construed to authorize entry by members of the public for any purpose. Notice under this section shall include the names, titles and affiliations of persons who will conduct the inspections and, for those persons who are not employees of either Grantee, their qualifications.

(3) **Right of Immediate Entry.** Each Grantee, in its sole and absolute discretion, shall have the right to immediately enter the Property where it is determined that urgent action is necessary to prevent, terminate, or mitigate a significant impairment of the Conservation Values. If either Grantee determines such immediate entry is necessary, such Grantee need not provide Grantor or the other Grantee with prior notice; provided, however, the entering Grantee shall provide Grantor and the other Grantee with telephonic or other comparable notice at the time of entry, to be followed by a written notice of entry within three (3) business days after such immediate entry.

(4) **CDFW Right of Entry.** Nothing in this Conservation Easement is intended to or shall be construed to affect CDFW's separate, existing legal authority to enter the Property at any time and in any manner for law enforcement or regulatory purposes, consistent with California law.

(b) **Additional Rights of CDFW.** Grantor hereby grants and conveys the following rights to CDFW:

(1) **Right to Conduct Studies and Monitor.**

(A) CDFW shall have the right to conduct those surveys,

studies, and monitoring activities listed in **Exhibit E**, attached hereto and incorporated herein by this reference. These surveys, studies, and monitoring activities conducted in accordance with the frequency and duration listed in **Exhibit E** are presumed to be consistent with the Conservation Purposes and shall be incorporated into the Fisheries and Wildlife Management section of the Management Plan.

(B) CDFW shall have the right to conduct other surveys, studies, and monitoring activities relating to fish, wildlife, and plant species and their habitat on the Property provided that such surveys, studies, and monitoring activities shall be carried out in a manner that (a) shall not interfere unreasonably with the permitted use(s) or enjoyment of the Property by Grantor; (b) shall be consistent with the Conservation Purposes; and (c) shall not be inconsistent with the Fisheries and Wildlife Management section of the Management Plan.

(2) **Coordination with Grantor.** CDFW shall provide Grantor with a minimum of thirty (30) days advance written notice prior to conducting any surveys, studies, or monitoring activities, on the Property pursuant to this Section 3(b), which notice shall describe the type of activity, location on the Property of such activity, the number of people who will be conducting such activity, and the length of time in days of such activity. CDFW shall coordinate with Grantor prior to conducting any surveys, studies, or monitoring activities on the Property.

4. **Prohibited Uses of the Property.** Except for any use or activity that is expressly permitted in this Conservation Easement, any activity on or use of the Property that is inconsistent with the Conservation Purposes of this Conservation Easement is prohibited. Grantor and Grantees agree that **Exhibit F**, attached hereto and incorporated herein by this reference, sets forth both the permitted and prohibited uses of the Property by Grantor, Grantor's agents, Grantees, and/or third parties under Grantor's control on the Property. In entering into this Conservation Easement, Grantor understands and acknowledges that uses prohibited by the terms of this Conservation Easement may become more economically valuable than permitted uses and that neighboring properties may in the future be dedicated partially or entirely to such prohibited uses. Grantor and Grantees intend that any such changes will not be deemed to be circumstances justifying the termination, extinguishment, or modification of this Conservation Easement. The inability of Grantor, or its successors or assigns, to carry out any or all the uses permitted under the terms of this Conservation Easement, or the unprofitability of doing so, will not impair the validity, force and effect of this Conservation Easement or be considered grounds for its termination, extinguishment, or modification.

5. **Grantor's Duties.** To the extent Grantor has or reasonably should have knowledge of actual or anticipated unauthorized third party use of the Property that violates or would violate the terms of this Conservation Easement, Grantor shall undertake all reasonable actions to prevent such unauthorized use. In determining

what actions are reasonable pursuant to this section, the Parties acknowledge that the Property is large and has multiple points of ingress and egress and that preventing all unauthorized use may not be reasonable or feasible.

6. Grantor's Reserved Rights and Permitted Uses of Property; PG&E's Reserved Rights.

(a) **Rights of Ownership.** Grantor reserves to itself all rights of ownership of the Property. Grantor shall confine its use of the Property to those permitted activities and uses, and to such other activities and uses of the Property as are both: (1) consistent with the Conservation Purposes; and (2) not prohibited under the terms of this Conservation Easement. The permitted uses and activities set forth on **Exhibit F** are presumed to be consistent with the Conservation Purposes and are expressly permitted by the Grantor, but **Exhibit F** is not an exclusive list of such uses and activities. Uses and activities that are prohibited in **Exhibit F** are inconsistent with the Conservation Purposes. Those permitted uses listed in **Exhibit F** that will involve construction or renovation of buildings or other structures shall be undertaken only in the applicable zones ("Zones"), as legally described, and depicted on the map included in **Exhibit G** ("Zones Map"), attached hereto and incorporated herein by this reference. Each Zone has a legal description prepared by a licensed land surveyor and has been marked in the field using signage mutually acceptable to the Parties.

(b) **PG&E Reserved Rights.** All rights and obligations of Grantor and Grantees under this Conservation Easement are subject to the PG&E Reserved Rights specified in the Grant Deed. In the event of a conflict between the PG&E Reserved Rights and the Conservation Purposes, this Conservation Easement shall be construed to unconditionally permit the exercise of the PG&E Reserved Rights. In the event PG&E notifies Grantor of PG&E's intention to exercise any of the PG&E Reserved Rights, Grantor shall notify each Grantee, in writing, of such intention within five (5) days of Grantor's receipt of such notification.

7. **Express Third-Party Uses.** **Exhibit C** describes the Express Third Party Uses of the Property permitted with the express agreement of Grantor. Grantor retains the right to maintain, renew, decline to renew, or replace all such agreements memorializing Express Third-Party Uses ("Third-Party Use Agreements") and to engage in all activities reasonably required to comply with Grantor's obligations with respect to the Express Third-Party Uses, subject to the following conditions:

(a) **Increases in Intensity or Expansion of Location or Size or Change in Third Party Use.** Subject to existing Third Party Use Agreements, any (i) increase in the intensity, (ii) expansion of the location or size, or (iii) change in the use, of any of the Express Third-Party Uses, whether through a new agreement or an amendment to an existing agreement, that Grantor determines in consultation with Grantees under Section 10(a) are likely to significantly impair the Conservation Values shall not be allowed.

(b) **Renewal or Replacement of Third-Party Use Agreements.** All Third-Party Use Agreements existing as of the Effective Date are identified on

Exhibit C. As Third-Party Use Agreements are renewed or replaced (either with the existing user or a new user), Grantor, in consultation with Grantees, shall include contractual provisions to bring the continuation of the Express Third-Party Uses and the preservation of the Conservation Values into alignment to the fullest extent reasonably practicable.

(c) **Enforcement of Third-Party Use Agreements.** If Grantor or Grantees discover any default or breach under a Third-Party Use Agreement that significantly impairs the Conservation Values (and if either Grantee makes such discovery, such Grantee gives Grantor and the other Grantee written notice thereof), Grantor shall use reasonable efforts to enforce or otherwise remedy such violation, at Grantor's sole expense.

8. **Public Access.**

(a) **Informal Uses and Public Access.** Grantor and Grantees recognize the Property has been used by third parties for recreational, cultural, and other non-commercial or informal purposes without formal written agreements to conduct such activities ("Informal Uses"). Grantor and Grantees further recognize that access to the Property is inherent or may be inherent in the enjoyment of the Conservation Values and the Informal Uses. Consistent with the objectives articulated in the Governing Documents to provide continued reasonable access by the public to the Watershed Lands, Grantor shall allow public access to the Property that is substantially consistent with the public access existing on the Effective Date. Grantor reserves the right to make and enforce reasonable regulations to control, limit, or, exclude Informal Uses and public access. Grantor shall not allow any Informal Use or any public access that significantly impairs the Conservation Values.

(b) **New or Increased Public Access.** If Grantor desires to allow new public access or Informal Uses or an expansion of public access or Informal Uses on the Property, Grantees' advance written approval is required in accordance with Section 10(b), which approval shall not be unreasonably withheld, conditioned or delayed.

(c) **Liability Limitation.** Notwithstanding Section 8(a) and Section 8(b) above, Grantor and Grantees claim all of the rights and immunities against liability for injury to the public to the fullest extent allowable by law.

(d) **Periodic Review of Informal Uses.** As part of each Grantee's annual compliance monitoring: (i) Grantor and the monitoring Grantee shall meet and confer to discuss the known Informal Uses and public access conducted on the Property for the purpose of Grantees' assessment of Grantor's compliance with the requirements set forth above in this section; and (ii) with respect to Informal Uses allowed by Grantor on the Property in accordance with Section 8(a) above, Grantor and each Grantee shall meet and confer, and include recommendations, if any, regarding the necessity of controlling, limiting, or excluding Informal Uses or public access to ensure the preservation of the Conservation Values. If either Grantee is not part of such meeting, Grantor and the other Grantee shall provide the non-participating Grantee with a summary of the results of such meeting.

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9. **Compliance with Applicable Law.** This Conservation Easement describes certain rights held by Grantor, Grantees, PG&E, and third parties, as well as permitted uses that are presumed to be consistent with the Conservation Purposes of the Conservation Easement. Nothing in this Conservation Easement requires Grantor, Grantees, PG&E, or third parties to exercise these rights. Nor does this Conservation Easement provide Grantor, Grantees, PG&E, or third parties with regulatory approval to undertake any action described as a retained right or permitted use. Prior to undertaking any action to exercise these rights, Grantor, Grantees, PG&E, and third parties shall obtain all necessary permits and comply with all applicable laws, including the California Environmental Quality Act (“CEQA”), Public Resources Code sections 21000 et seq.

10. **Consultation and Approval Processes.**

(a) **Consultation.** Whenever this Conservation Easement requires one Party to consult with one or more other Parties, the Party with the obligation to seek consultation shall provide the other Party or Parties with a written request to consult. The Parties shall seek to meet in person within thirty (30) days of the receipt of the consultation request, unless the Parties agree, or this Conservation Easement provides otherwise. For purposes of this Conservation Easement, consultation means the meaningful and timely process of meeting in good faith to exchange adequate information and discuss, understand, and consider the views of the other Party or Parties and to seek, wherever feasible, to reach agreement. If the Parties are unable to reach agreement and one or more Grantees believe the proposed activity would violate the terms of this Conservation Easement, the Grantee(s) may issue a Notice of Breach pursuant to Section 10. If no response to the request to consult is received within thirty (30) days of its receipt, the requesting Party shall have no obligation to consult.

(b) **Approval.** Whenever this Conservation Easement requires the approval of the Grantees (“Approval”) for a proposed action or activity (“Proposed Activity”), Grantor shall provide each Grantee a written notice requesting the Approval at least thirty (30) days before the commencement of the Proposed Activity. The notice shall set forth in detail all material facts of the Proposed Activity and the following provisions shall then be applicable:

(1) **Additional Information.** Either Grantee may request additional information concerning the Proposed Activity within thirty (30) days after the notice is given. Grantor shall provide any supplemental information to both Grantees within thirty (30) days of Grantee’s request.

(2) **Objection Notice.** Grantee(s) shall review the notice promptly, and give Grantor prompt written notice of any objections based on the Grantee(s) assessment that the Proposed Activity is reasonably likely to violate the terms of the Conservation Easement. If either Grantee objects it shall advise Grantor and the other Grantee how, if at all, the Proposed Activity could be modified to be consistent with the Conservation Purposes and the terms of the Conservation

Easement.

(3) **Written Approval.** Grantor shall not, and shall not have the right to, commence or conduct the Proposed Activity until and unless it receives the written approval of both Grantees, and only in the manner approved, unless the Proposed Activity is deemed approved pursuant to Section 10(b)(4) below.

(4) **Agreement Deadline for Proposed Activity.** The Proposed Activity shall be deemed to have been approved if no objection has been given within ninety (90) days after Grantee's receipt of the notice of the Proposed Activity and all supplemental information requested by Grantee pursuant to Section 10(b)(1) above.

(5) **Limitations on Approval.** No actual or deemed approval to, or acquiescence in or failure to object to, any given Proposed Activity shall constitute: (i) agreement or consent to, or approval of, any aspect of the Proposed Activity which was not disclosed in the Grantor's notice (including any supplemental information, as noted above), or any subsequent action or activity of the same or any different nature; or (ii) agreement or consent to, or approval of, any activity or use which is prohibited by the terms of this Conservation Easement, or any other alteration of the terms of this Conservation Easement.

11. **Enforcement and Remedies.**

(a) **Procedures Upon Violation.** If a Party hereto ("Non-Breaching Party") determines there is a breach of the terms of this Conservation Easement or that a breach is threatened, written notice of such breach ("Notice of Breach") and a demand for corrective action sufficient to cure the breach shall be given in accordance with Section 23 by the Non-Breaching Party to the Party(ies) allegedly breaching this Conservation Easement ("Breaching Party") and to the other Party not in breach (also referred to herein as Non-Breaching Party). Within fourteen (14) days after receipt of the Notice of Breach, the Parties shall meet at a location in Plumas County or as otherwise agreed by the Parties to discuss the circumstances of the alleged or threatened breach and to attempt to agree on appropriate corrective action. If the Parties are unable to agree on corrective action within thirty (30) days after such meeting, then a Non-Breaching Party may, at its election, deliver a further written notice to the Breaching Party and other Non-Breaching Party to demand reasonable corrective action to cure the breach. ("Notice of Violation"). If a violation is not cured within thirty (30) days after receipt of the Notice of Violation, or if the cure reasonably requires more than thirty (30) days to complete and there is failure to begin the cure within the 30-day period or failure to continue diligently to complete the cure, a Non-Breaching Party may commence litigation in accordance with Section 11(c) below. For purposes of this Section 11(a), a Non-Breaching Party can be either or both Grantees and/or Grantor.

(b) **Notice of Conflict.** Nothing in this Section 11 shall be construed to prevent both Non-Breaching Parties from issuing Notices of Violation for a single violation. If the Breaching Party receives a Notice of Violation from one Non-Breaching Party with which it is impossible for the Breaching Party to comply consistent with a

prior uncured Notice of Violation received from the other Non-Breaching Party, the Breaching Party shall give written notice of the conflict ("Notice of Conflict") to both Non-Breaching Parties. The Notice of Conflict shall be given within fifteen (15) days of the date the Breaching Party receives a conflicting Notice of Violation, shall include copies of the conflicting Notices of Violation, and shall describe the conflict with specificity, including how the conflict makes compliance impossible. Upon issuing a valid Notice of Conflict, Breaching Party shall not be required to comply with the conflicting Notices of Violation until such time as one or both Non-Breaching Parties issue(s) revised Notice(s) of Violation that resolve the conflict, or the Non-Breaching Parties provide the Breaching Party with written notice explaining why the Notices of Violation do not conflict. Upon receipt of one or more revised Notices of Violation or a written explanation of why the Notices of Violation do not conflict, the Breaching Party shall comply with such notice within the time period(s) described in this section. The failure of the Breaching Party to provide the Non-Breaching Parties with a valid Notice of Conflict within fifteen (15) days of receipt of a conflicting Notice of Violation shall constitute a waiver of the Breaching Party right to claim a conflict.

(c) **Litigation.** If the Parties are not able to resolve a dispute under Section 11(a) and 11(b) above, a Non-Breaching Party may bring an action at law or equity in a court of competent jurisdiction to enforce compliance with the terms of this Conservation Easement, to recover damages to which a Non-Breaching Party may be entitled for violation of the terms of this Conservation Easement, or for any other legal or equitable relief available under California law, including, but not limited to, temporary or permanent injunctive relief, monetary damages or any other form of relief required to achieve the restoration of the Property to the condition it existed prior to any violation. To the extent that either Grantee recovers any monetary damages for the cost of restoring any injury or damage to a portion of the Property that is caused by Grantor's breach, excluding fees described in Section 12, all such damages recovered by such Grantee shall be applied to the cost of undertaking any corrective action to the applicable portion of the Property. Notwithstanding anything to the contrary in this Conservation Easement, in no event shall the Breaching Party be liable to any Non-Breaching Party for, and the Parties each hereby waive their right to, any indirect, special, punitive or consequential damages resulting from the Breaching Party's breach of this Conservation Easement, whether foreseeable or unforeseeable. For purposes of this Section 11(c), a Non-Breaching Party can be either or both Grantees and/ Grantor.

(d) **Emergency Injunctive Relief.** If circumstances require immediate action to prevent or mitigate a violation of this Conservation Easement and a Non-Breaching Party determines that irreparable harm would result if a Non-Breaching Party were required to complete the process set forth in Section 11(a), such Non-Breaching Party may proceed immediately to seek an injunction to stop the violation, temporarily or permanently. The Non-Breaching Party agrees to make a good faith effort to immediately provide notice to the Breaching Party and the other Non-Breaching Party of the circumstances requiring urgent action to prevent or mitigate any significant impairment to the Conservation Values. For purposes of this Section 11(d), a Non-Breaching Party can be either or both Grantees and/or Grantor.

(e) **Remedies at Law Inadequate.** The Parties agree that remedies at law for any violation of the terms of this Conservation Easement are inadequate and that the Non-Breaching Parties shall be entitled to the injunctive relief described in this section, in addition to such other relief to which it may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies, provided the other legal requirements for injunctive relief are met. Each Non-Breaching Party's remedies shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including but not limited to, the remedies set forth in California Civil Code section 815 *et seq.* For purposes of this Section 11(e), a Non-Breaching Party can be either or both Grantees and/or Grantor.

(f) **Attorney General Standing to Enforce.** If at any time in the future, Grantor or any subsequent transferee of Grantor uses or threatens to use the Property for purposes inconsistent with this Conservation Easement or in violation of its terms, then, despite the provisions of California Civil Code section 815.7, the California Attorney General has standing as an interested party in any proceeding affecting this Conservation Easement.

12. **Costs of Enforcement.** The non-prevailing party in litigation to enforce the terms of this Conservation Easement shall pay to the prevailing party(ies) any costs and attorneys' fees awarded by the court.

13. **Grantees' Discretion.** Enforcement of the terms of this Conservation Easement shall be at the discretion of either Grantee, and any forbearance by Grantee(s) to exercise their rights under this Conservation Easement in the event of any violation of any term of this Conservation Easement shall not be deemed or construed to be a waiver by Grantee(s) of such violation or of any subsequent violation of the same or any other term of this Conservation Easement or of any of Grantee(s)' rights under this Conservation Easement.

14. **Acts Beyond Grantor's Control.** Nothing contained in this Conservation Easement shall be construed to entitle either Grantee to bring any action against Grantor for any injury to or change in the Property or impairment of the Conservation Values resulting from (a) any natural cause beyond Grantor's control, including, without limitation, fire not caused by Grantor, flood, storm, climate change, earth movement, diseases affecting biological features of the Property, or any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property or impairment to the Conservation Values resulting from such causes; (b) acts by Grantees or their employees, consultants, agents, contractors, board of directors, or representatives; or (c) acts by third parties over whom Grantor has no control, provided Grantor has fulfilled its obligations under Section 5. Should impairment to the Conservation Values occur as a result of (a) or (c), Grantor and Grantees shall consult to determine an appropriate, reasonable response to address the conditions.

15. **Costs and Liabilities.** Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property. Except as set forth in Section 17, Grantor agrees that

Grantees shall have no duty or responsibility for the operation, upkeep or maintenance of the Property, the monitoring of hazardous conditions thereon, or the protection of Grantor, the public or any third parties from risks relating to conditions on the Property. Grantor remains solely responsible for obtaining any applicable governmental permits and approvals required for any activity or use by Grantor permitted by this Conservation Easement, including those required from CDFW acting in its regulatory capacity. Any activity or use shall be undertaken in accordance with all applicable federal, state and local statutes, ordinances, rules, regulations, orders and requirements.

16. **Taxes; No Liens.** Grantor shall pay before delinquency all taxes, assessments (general and special), fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred because of, this Conservation Easement, and shall furnish Grantees with satisfactory evidence of payment upon request. Grantor shall keep the Property free from any liens (other than a security interest that is expressly subordinate to this Conservation Easement as provided in Section 26(m)), including those arising out of any obligations incurred by Grantor for any labor or materials furnished or alleged to have been furnished to or for Grantor at or for use on the Property.

17. **Hold Harmless.** Grantor shall hold harmless and indemnify Grantees and their directors, officers, and employees and the successors and assigns of each of them (each an "Indemnified Party" and, collectively, "Indemnified Parties") from and against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and experts' fees), causes of action, claims, demands, orders, liens or judgments (each a "Claim" and, collectively, "Claims"), proximately caused by the occupancy or use of the Property by Grantor or its directors, officers, employees, or agents, unless due solely to the negligence of the Grantee seeking indemnity or any of such Grantees' officers, employees or agents. If any action or proceeding is brought against any of the Indemnified Parties by reason of any such Claim, Grantor shall, at the election of and upon written notice from an Indemnified Party seeking indemnification under this section, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party or reimburse such Indemnified Party for all reasonable charges incurred for services of the California Attorney General in defending the action or proceeding.

FRLT shall hold harmless and indemnify Grantor and its directors, officers, and employees, and successors and assigns of each of them from and against any and all liabilities, penalties, costs, losses, damages, expenses (including without limitation reasonable attorneys' fees and costs and consultant fees), causes of action, claims, demands, orders, liens or judgments proximately caused by to the entry onto or use of the Property by FRLT or its officers, employees, or agents, unless due solely to the negligence of the Grantor, its directors, officers, employees or agents. If any action or proceeding is brought against the Grantor, its directors, officers, employees or agents, by reason of such claim, FRLT shall, at the election of and upon written notice from the Grantor, defend such action or proceeding by counsel reasonably acceptable to the Grantor.

For so long as CDFW serves as a Grantee under this Conservation Easement, CDFW shall, to the maximum extent permitted by Government Code Section 14662.5, hold harmless and indemnify Grantor and its directors, officers, employees, and agents, and successors and assigns of each of them from and against any and all liabilities, penalties, costs, losses, damages, expenses (including without limitation reasonable attorneys' fees and costs and consultant fees), causes of action, claims, demands, orders, liens or judgments proximately caused by the entry onto or use of the Property by CDFW or its officers, employees, or agents, unless due solely to the negligence of the Grantor, its directors, officers, employees or agents. If any action or proceeding is brought against the Grantor, its directors, officers, employees or agents by reason of such claim, CDFW shall, at the election of and upon written notice from the Grantor, and to the extent permitted by Government Code Section 14662.5, defend such action or proceeding by counsel reasonably acceptable to the Grantor.

18. **Insurance.** Grantor shall procure, carry, and maintain in effect throughout the term of this Conservation Easement, the insurance specified in **Exhibit H**, which is incorporated herein by reference; provided, however, that Grantees reserve the right to periodically review and reasonably modify the insurance requirements specified in **Exhibit H** to be generally consistent with the practices of prudent charitable organizations that own similar properties. All insurance shall be written on forms and with insurance carriers acceptable to Grantees in their commercially reasonable judgment. Prior to recordation of this Conservation Easement, Grantor shall provide Grantees with evidence of insurance coverage satisfying the requirements of this section and **Exhibit H**. Grantor is responsible for causing its agents and contractors entering the Property to comply with the insurance requirements of this section and **Exhibit H** at all relevant times. Grantor shall indemnify, protect, defend, and hold harmless Grantees against any and all liabilities, penalties, costs, losses, damages, expenses (including, without limitation, reasonable attorneys' fees and reasonable experts' fees), causes of action, claims, demands, orders, liens or judgments proximately caused by the failure of Grantor or its agents or contractors to comply with the insurance requirements of this section and **Exhibit H**.

19. **Extinguishment.** If circumstances arise in the future that render the Conservation Purposes impossible to accomplish, this Conservation Easement can only be terminated or extinguished, in whole or in part, by judicial proceedings in a court of competent jurisdiction.

20. **Condemnation.** This Conservation Easement is "property appropriated to public use," the condemnation of which is prohibited except as provided in Code of Civil Procedure section 1240.055. This Conservation Easement is a "wildlife conservation easement" acquired by a State agency, the condemnation of which is prohibited except as provided in Fish and Game Code section 1348.3.

21. **Transfer of Conservation Easement.**

(a) **Voluntary Assignment.** In the event that either Grantee decides to assign its interest under this Conservation Easement, the other Grantee shall have the right to assume all duties of Grantees under this Conservation Easement and serve

as the sole Grantee. If the other Grantee declines to do so, the assigning Grantee shall only assign such interest to an organization that is: (i) qualified to hold a conservation easement under section 815.3 of the California Civil Code; (ii) experienced in holding and monitoring conservation easements on properties similar to the Property; (iii) willing and financially able to assume all of the responsibilities imposed on such Grantee under this Conservation Easement; and (iv) approved in advance by Grantor, which approval shall not be unreasonably withheld. The assigning Grantee shall give preference to any qualifying organization that has experience in holding and monitoring conservation easements on properties owned by Indian Tribes or tribal organizations. Before assigning its interest under this Conservation Easement, the assigning Grantee shall provide Grantor, the other Grantee, and the Sierra Nevada Conservancy (“SNC”) with written notice of such intention to transfer (“Transfer Notice”) and shall consult with Grantor, the other Grantee, and SNC pursuant to Section 10(a). The Transfer Notice shall identify the proposed assignee and include a description of how the proposed assignee meets the assignee designation criteria set forth in this section. In consultation with Grantor and the other Grantee, the transferring Grantee shall allow SNC a period of not less than sixty (60) days to approve the proposed assignee, which approval shall not be unreasonably withheld and shall be based on whether the proposed assignee meets the designation criteria specified in this section. If SNC does not approve the proposed assignee, SNC shall provide the transferring Grantee with the reasons behind such decision.

(b) **Involuntary Assignment.** If FRLT (or its successor in interest hereunder) ever ceases to exist or no longer qualifies under applicable state law to hold a conservation easement interest, then SNC shall, in consultation with CDFW pursuant to Section 10(a), select an assignee that meets all the designation criteria specified in subsection (a) above or determine that a successor to FRLT is not necessary if CDFW is willing to assume FRLT’s duties as Grantee. If SNC is unable to identify an assignee that meets all of the designation criteria specified in subsection (a) above, that is willing to accept such assignment, then SNC may elect to serve as such assignee. Notwithstanding the foregoing, SNC may elect to exercise the rights of FRLT (or its successor in interest hereunder), as Grantee hereunder during any period that a successor assignee for FRLT is not yet in place.

(c) **Conditions of Assignment.** As conditions to any assignment of this Conservation Easement, the transferring Grantee and/or the SNC shall: (i) require the assignee to expressly agree in writing to assume the transferring of Grantee’s obligations hereunder; and (ii) ensure that assignee has the resources to fulfill its obligations under the Conservation Easement.

(d) **Successor to SNC.** Upon any liquidation or dissolution of SNC, SNC or the State of California shall have the right to assign SNC’s rights and obligations under this section to another entity that has a conservation mission and level of expertise consistent with that of SNC and sufficient resources and capacity to carry out the obligations of SNC.

22. **Transfer of Property.**

(a) **Transfer of Property to Third-Party.** Except for any transfer of the Property pursuant to the Power of Termination (as defined in Section 22(b) below), Grantor shall not transfer the Property without the prior written approval of each Grantee, which approval shall not be unreasonably withheld, conditioned or delayed. Grantor shall give written notice to each Grantee of the intent to transfer the interest at least ninety (90) days prior to the date of such transfer. Grantor agrees to incorporate the terms of this Conservation Easement by reference in any deed or other legal instrument by which Grantor divests itself of any interest in all or any portion of the Property, including, without limitation, a leasehold interest. Except transfer in accordance with the Power of Termination, each Grantee shall have the right to prevent subsequent transfers in which prospective transferees are not given actual notice of the terms, covenants, conditions and restrictions of this Conservation Easement. The failure of Grantor or Grantees to perform any act provided in this section shall not impair the validity of this Conservation Easement or limit its enforceability in any way.

(b) **Power of Termination.** The State of California, acting by and through CDFW, has been granted a power of termination in the Property in accordance with California Civil Code section 885.010, et seq. and that certain Restrictions on Transfer of Property and Power of Termination in Favor of California Department of Fish and Wildlife, being recorded in the Official Records of the County of Plumas concurrently with the recording of this Conservation Easement ("Power of Termination"), attached hereto as **Exhibit I** and incorporated herein by reference. In the event the Power of Termination is triggered and fee title to the Property transfers to CDFW, CDFW shall no longer hold any rights of a Grantee under this Conservation Easement, and FRLT (or FRLT's successor in interest hereunder) shall thereafter constitute the sole Grantee for all purposes under this Conservation Easement.

23. **Notices.** Any notice, demand, request, consent, approval, or other communication that either Party desires or is required to give to the other shall be in writing and be delivered: (a) personally; (b) by reliable overnight courier that guarantees next-day delivery; or (c) by first class United States mail, postage fully prepaid, and addressed as follows:

To Grantor: Maidu Summit Consortium
P.O. Box 682
Chester, CA 96020
Attn: Executive Director

To FRLT: Feather River Land Trust
P.O. Box 1826
75 Court Street
Quincy, CA 95971
Attn: Executive Director

To CDFW: Department of Fish and Wildlife
North Central Region
1701 Nimbus Road
Rancho Cordova, CA 95670
Attn: Regional Manager

Copy to: Department of Fish and Wildlife
Office of the General Counsel
1416 Ninth Street, 12th Floor
Sacramento, California 95814-2090
Attn: General Counsel

To SNC: Sierra Nevada Conservancy
11521 Blocker Drive, Suite 205
Auburn, CA 95603
Attn: Executive Director

or to such other address as either Party shall designate by written notice to the other. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

24. **Amendment.** This Conservation Easement may be amended only upon the written agreement of Grantor and both Grantees. Any such amendment shall be consistent with the Conservation Purposes of this Conservation Easement and California law governing conservation easements and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of Plumas County.

25. **Third-Party Beneficiary.** If, for any reason, CDFW determines it is unable to serve as Grantee under this Conservation Easement and provides written notice of that determination to Grantor and FRLT, FRLT shall thereafter be the sole Grantee and CDFW shall, without any further action by the Parties, become an express third-party beneficiary of this Conservation Easement. All rights conveyed to Grantees under this Conservation Easement, including but not limited to those set forth in Section 3(a), and all remedies conveyed to Grantees under this Conservation easement, including but not limited to those set forth in Section 11, shall extend to and shall be enforceable by CDFW as third-party beneficiary. CDFW shall retain all additional rights set forth in Section 3(b) regardless of whether it serves as Grantee or third-party beneficiary.

26. **Additional Provisions.**

(a) **Baseline Documentation Report.** Grantor and Grantees each acknowledge that certain biological and other physical attributes of the Property

particularly relevant to the Conservation Easement are further documented in a written inventory of such attributes ("Baseline Documentation Report"), which has been prepared by a competent natural resource professional familiar with the Property and approved in writing by Grantor and Grantees. Grantor and Grantees acknowledge they each have a copy of the Baseline Documentation Report, as approved by them. The Parties agree that the Baseline Documentation Report contains an accurate representation of such attributes of the Property at the time that this Conservation Easement is recorded, and is intended to serve as an objective, though non-exclusive, source of baseline information for monitoring compliance with the terms of the Conservation Easement. The foregoing notwithstanding, if a dispute arises with respect to the nature and extent of the biological or physical condition of the Property, the Parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the dispute.

(b) **Grantor's Advice of Legal Counsel.** Grantor and Grantees acknowledge and stipulate that Grantees have advised Grantor that neither Grantee can provide, or has provided, Grantor with legal or tax advice at any time respecting the Conservation Easement. Grantor and Grantees further acknowledge that Grantees have advised Grantor to seek legal counsel in the negotiation and execution of this Conservation Easement and that Grantor has done so. Grantor has retained legal counsel, which decision was made in Grantor's sole discretion.

(c) **Controlling Law.** The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of California, disregarding the conflicts of law principles of such State, with venue in Plumas County.

(d) **Liberal Construction.** Despite any general rule of construction to the contrary, this Conservation Easement shall be liberally construed to accomplish the Conservation Purposes of this Conservation Easement in perpetuity, and to effectuate 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 Conservation Purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

(e) **Severability.** If a court of competent jurisdiction voids or invalidates on its face any provision of this Conservation Easement, such action shall not affect the remainder of this Conservation Easement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Conservation Easement to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(f) **Entire Agreement.** This instrument sets forth the entire agreement of the Parties with respect to the Conservation Easement and supersedes all prior written or oral discussions, negotiations, understandings, or agreements of the Parties relating to the Conservation Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment in accordance with Section 24.

(g) **No Forfeiture.** Nothing contained in this Conservation Easement will result in a forfeiture or reversion of Grantor's fee title in and to the Property in any respect.

(h) **Successors.** The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the Parties and their respective personal representatives, heirs, successors, and assigns and shall constitute a servitude running in perpetuity with the Property.

(i) **Termination of Rights and Obligations.** A Party's rights and obligations under this Conservation Easement terminate upon transfer of the Party's interest in the Conservation Easement or Property, except that liability for acts, omissions, or breaches occurring prior to transfer shall survive transfer.

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

(k) **Hazardous Materials Liability.**

(1) Grantor represents and warrants that it has no actual knowledge or has not received actual notice of any Hazardous Materials (as defined below) or underground storage tanks existing, generated, treated, stored, used, released, disposed of, deposited or abandoned in, on, under, or from the Property, or transported to or from or affecting the Property.

(2) Without limiting the obligations of Grantor under Section 17 of this Conservation Easement, Grantor hereby releases and agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any and all Claims arising from or connected with any Hazardous Materials or underground storage tanks present, alleged to be present, released in, from, or about, the Property at any time, except any Hazardous Materials placed, disposed or released by Grantees or their employees, officers, agents, consultants or representatives. This release and indemnification includes, without limitation, Claims for injury to or death of any person or physical damage to any property; and the violation or alleged violation of, or other failure to comply with, any Environmental Laws (as defined below). If any action or proceeding is brought against any of the Indemnified Parties because of any such Claim, Grantor shall, at the election of and upon written notice from Grantee, defend such action or proceeding by counsel reasonably acceptable to the Indemnified Party or reimburse Grantees for all reasonable charges incurred for services of the California Attorney General or other counsel in defending the action or proceeding.

(3) Despite any contrary provision of this Conservation Easement, the Parties do not intend this Conservation Easement to be, and this Conservation Easement shall not be, construed to create in or give to Grantees any of the following:

(A) The obligations or liability of an "owner" or "operator," as those terms are defined and used in Environmental Laws (as defined below), including, without limitation, the Comprehensive Environmental Response,

02898.357 4823-4346-2029.1

Compensation and Liability Act of 1980, as amended (42 U.S.C. section 9601, et seq.; hereinafter, "CERCLA"); or

(B) The obligations or liabilities of a person described in 42 U.S.C. section 9607(a)(3) or (4); or

(C) The obligations of a responsible person under any applicable Environmental Laws (as defined below); or

(D) The right or duty to investigate and remediate any Hazardous Materials associated with the Property; or

(E) Any control over Grantor's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

(4) The term "Hazardous Materials" includes, without limitation, (a) material that is flammable, explosive or radioactive; (b) petroleum products, including by-products and fractions thereof; and (c) hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in CERCLA, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. section 6901, et seq.; hereinafter "RCRA"); the Hazardous Materials Transportation Act (49 U.S.C. section 6901, et seq.; hereinafter "HTA"); the Hazardous Waste Control Law (Health & Safety Code section 25100, et seq.; hereinafter "HCL"); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health & Safety Code section 25300, et seq.; hereinafter "HSA"), and in the regulations adopted pursuant to them, or any other applicable Environmental Laws that define Hazardous Materials now in effect or enacted after the Effective Date.

(5) The term "Environmental Laws" includes, without limitation, CERCLA, RCRA, HTA, HCL, HSA, and any other federal, state, or local statute, ordinance, rule, regulation, order or requirement relating to pollution, protection of human health or safety, the environment or Hazardous Materials. Grantor represents, warrants and covenants to Grantees that all activities upon and use of the Property by Grantor, its agents, employees, invitees and contractors will comply with all Environmental Laws.

(l) **Warranty.** Grantor represents and warrants to Grantees that Grantor is the sole owner of fee simple title to the Property; that the Property is not subject to any other conservation easement; and, other than those exceptions expressly listed in **Exhibit J**, attached hereto and incorporated herein by this reference, there are no outstanding mortgages, liens, encumbrances or other interests in the Property (including, without limitation, water and mineral interests) that may conflict or are otherwise inconsistent with this Conservation Easement and which have not been expressly subordinated to this Conservation Easement by a written, recorded subordination agreement approved by Grantees.

(m) **Additional Easements.** Grantor shall not grant any additional easements, rights of way, or other interests in the Property (other than a security interest that is expressly subordinated to this Conservation Easement), or grant,

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transfer, abandon, or relinquish (each a "Transfer") any mineral, air, or water right, or any water associated with the Property, without first obtaining the written approval of each Grantee, which approval shall not be unreasonably withheld, conditioned or delayed. This section shall not limit the provisions of Section 3 nor prohibit transfer of a fee or leasehold interest in the Property that is subject to this Conservation Easement and complies with Section 22. Grantor shall provide a certified copy of any recorded or unrecorded grant or Transfer document to each Grantee.

(n) **Recording.** Grantees shall record this Conservation Easement in the Official Records of Plumas County, and each Grantee may re-record this Conservation Easement at any time as such Grantee deems necessary to preserve its rights in this Conservation Easement.

(o) **Exhibits.** The following Exhibits referenced in this Conservation Easement are attached to and incorporated by reference in this Conservation Easement:

- EXHIBIT A – Legal Description of Property and Map of the Property
- EXHIBIT B – Grant Deed
- EXHIBIT C – Express Third-Party Uses and Third-Party Use Agreements
- EXHIBIT D – Conservation Values
- EXHIBIT E – CDFW's Use of the Property
- EXHIBIT F – Grantor's Use of the Property
- EXHIBIT G – Zones Map
- EXHIBIT H – Insurance Requirements
- EXHIBIT I – Power of Termination
- EXHIBIT J --Encumbrances

IN WITNESS WHEREOF Grantor and Grantees have executed this Conservation Easement as of the day and year first above written.

GRANTOR:

MAIDU SUMMIT CONSORTIUM

By: _____

Name: Ken Holbrook

Title: Executive Director

Date: _____

FRLT:

FEATHER RIVER LAND TRUST

By: _____

Name: Shelton Douthit

Title: Executive Director

Date: _____

CDFW:

STATE OF CALIFORNIA, acting by and through
Department of Fish and Wildlife

By: _____

Name: Tina Bartlett

Title: Regional Manager, North Central Region

Date: _____

NOTARY ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF _____

On _____, before me, the undersigned, a Notary Public in and for the State of California, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

Witness my hand and official seal.

Notary Public in and for
said County and State

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Conservation Easement Deed by _____, dated _____, to the State of California, Grantee, acting by and through its California Department of Fish and Wildlife ("CDFW"), a governmental agency (under Government Code section 27281), is hereby accepted by the undersigned officer on behalf of CDFW, pursuant to the California Fish and Game Code.

STATE OF CALIFORNIA, by and through its
DEPARTMENT OF FISH AND WILDLIFE

By: _____

Title: _____

Authorized Representative

Date: _____

EXHIBIT A

Legal Description of the Property and Map of the Property

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF PLUMAS, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

SBE: 135-32-1-1, 135-32-1-4, 135-32-1-5, 135-32-3A-1
1962-CFX-00050
LCP ID#0699

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 35 AND 36 OF TOWNSHIP 27 NORTH, RANGE 6 EAST; SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTION 6 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 2, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 43, PAGE 309 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 6 EAST

THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF NORTHEAST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 35; NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 36;

TOWNSHIP 27 NORTH, RANGE 7 EAST

SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER, ALSO DESIGNATED LOT 4 OF SAID SECTION 31;

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 4 AND 5 OF SAID SECTION 6;

TOWNSHIP 26 NORTH, RANGE 6 EAST

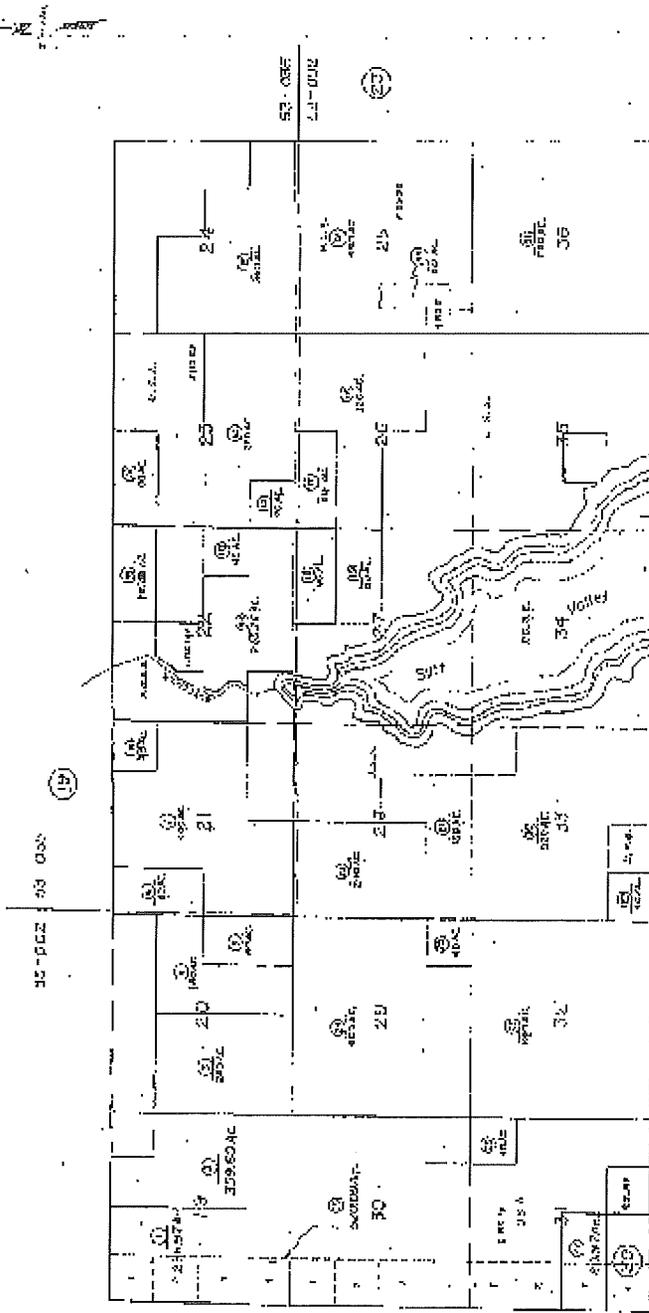
LOTS 1, 2, 3, 4, 5, 6, 7, AND 9, AND NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1; AND LOTS 1 AND 7 OF SAID SECTION 2.

LESS AND EXCEPT PORTIONS OF SAID LOT 9 AND SAID NORTHWEST ONE-

1-22

704 Acres Cont.
S 1/2 Sec 20
S 1/2 Sec 21

S 1/2 T27N R7E M.D. & M.



JAN 2 1918

Assessor's Map Bk. 1 - Pg. 22
County of Plumas, Calif.

Sheet No. 2-22

Note - Shaded Blue Areas Shown in Orange
Indicate Forest Reserve in Current

Reproduced from Assessor's Map 1-22, Page 2 of 2
Subject as Shown:

EXHIBIT B

Grant Deed

[Follows this page]

RECORDING REQUESTED BY AND RETURN
TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177
Attention: Land Consultant(LCC)

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____
 This is a conveyance where the consideration and
Value is less than \$100.00 (R&T Code §11911).
 Computed on Full Value of Property Conveyed,
or
 Computed on Full Value Less Liens
& Encumbrances Remaining at Time of Sale

(SPACE ABOVE FOR RECORDER'S USE ONLY)

Signature of declarant or agent determining tax

LD

DEED

APN(s): None
Address: Vacant Land

GRANT DEED AND RESERVATION OF RIGHTS AND EASEMENTS

I. CONVEYANCE OF FEE

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("**Grantor**"), hereinafter called Grantor, hereby grants, without warranty express or implied, to **MAIDU SUMMIT CONSORTIUM**, a California nonprofit corporation ("**Grantee**"), hereinafter called Grantee, the real property ("**Property**"), situated in the unincorporated area of County of Plumas, State of California, described in Exhibit A attached hereto and made a part hereof.

In connection with such grant, Grantor and Grantee have agreed, for good and valuable consideration, that Grantor shall reserve certain rights and easements as more fully described in Section III below.

II. RECITALS

A. Grantor is a party to that certain Settlement Agreement ("**Settlement Agreement**") as modified and approved by the Public Utilities Commission of the State of California ("**CPUC**") in its Opinion and Order of December 18, 2003 (Decision 03-12-035).

B. In furtherance of the Settlement Agreement, and to provide additional detail regarding the implementation of the "Land Conservation Commitment" (defined below), the parties to the Settlement Agreement and other interested parties entered into that certain

Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (“**Stipulation**”).

C. The Settlement Agreement and the Stipulation (collectively, “**Governing Documents**”) require Grantor to ensure that approximately 140,000 acres of watershed lands, all owned by Grantor (collectively, “**Watershed Lands**”), including the Property, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of Grantor to convey fee interests and/or conservation easements and to protect such beneficial public values on the Watershed Lands, as well as certain other obligations related thereto, are set forth in detail in Appendix E of the Settlement Agreement (as further explicated in Section 12 of the Stipulation), and are defined therein as the “**Land Conservation Commitment.**”

D. Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (“**Stewardship Council**”) was created to oversee and carry out the Land Conservation Commitment. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California (“**Land Conservation Plan**” or “**LCP**”). The LCP includes, among other things, objectives to preserve and/or enhance the beneficial public values identified on each parcel of Watershed Lands.

E. Grantor has used and continues to use the Property for the purposes of complying with the requirements of the Rock Creek Cresta Settlement Agreement for FERC Project #1962. FERC Project #1962 governs the Grantor’s activities generating and transmitting hydroelectric energy, managing and monitoring the flow of water over the existing waterways for consumptive and non-consumptive uses, conducting various biological and land use studies mandated by the Federal Energy Regulatory Commission (“**FERC**”) and for other purposes as described more fully in Section III below (collectively, “**Hydro Project Activities**”). As used herein, “**Hydroelectric Facilities and associated Water Delivery Facilities**” refers to those existing and future facilities, structures and improvements now or hereafter located on, above, or under the Property, that are associated with the Hydro Project Activities, as described more fully in Section III below.

F. Consistent with the terms of the Governing Documents, Grantor and Grantee acknowledge this conveyance, together with the conservation easement transaction being entered into by Grantee and Feather River Land Trust and California Department of Fish and Wildlife concurrently herewith, is being made in the public interest with the intent to ensure the permanent protection of the beneficial public values on the Property as identified in the LCP and the conservation easement being entered into while allowing the ongoing use of the Property by Grantor for Hydro Project Activities, and acknowledging and honoring any existing third party uses.

III. RESERVATION OF RIGHTS AND EASEMENTS

1. Reserved Rights and Reserved Easements. Grantor expressly reserves the right to engage in or invite or permit others to engage in the activities and uses set forth below

(collectively, the “**Reserved Rights**”) as Grantor may determine, in Grantor's sole discretion exercised in good faith, is required for Grantor’s continued Hydro Project Activities, including the continued operation and maintenance of Hydroelectric Facilities and associated Water Delivery Facilities, together with the easements set forth in this Section III as reasonably necessary or appropriate for the exercise of the Reserved Rights (“**Reserved Easements**”).

Whenever reasonably practical, Grantor will use reasonable efforts to notify and consult with Grantee in advance of the exercise of the Reserved Rights and Reserved Easements, and use reasonable efforts to employ methods and practices that will not significantly impair the beneficial public values of the Property. The Reserved Rights and Reserved Easements are as follows:

(a) Grantor reserves, for its beneficial uses, all riparian water rights inherent in and part and parcel of the Property; all prescriptive surface water rights; and all other right, title and interest of any nature whatsoever in and to the surface waters and the subterranean streams flowing through known and definite channels which are now or hereafter located or flowing upon, under or abutting the Property, including but not limited to all rights to take, divert and appropriate all such waters in accordance with applicable law (collectively, the “**Reserved Water Rights**”). Notwithstanding the previous sentence, Grantee may use reasonable amounts of water on the Property for activities solely intended to preserve and enhance the beneficial public values, including but not limited to meadow restoration and streamcourse habitat improvement, provided such activities are conducted in accordance with applicable law. Such use by Grantee may be conducted without notice to Grantor.

(b) Grantor reserves the right to comply with the requirements of the Rock Creek Cresta Settlement Agreement for FERC Project #1962 including improvements, land alteration, revegetation, and any and all activities necessary to comply with the Rock Creek Cresta Settlement Agreement. In furtherance of and without in any way limiting the generality of the foregoing, the following rights are expressly reserved:

(1) The right to conduct any and all uses and activities now or at any time in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith; and

(2) The right to use, maintain, establish, construct, alter, expand and improve water sources, courses, and bodies within the Property, and to take, divert and appropriate water.

The reservation of rights under this Section III (b) shall terminate upon the Grantor’s satisfactory fulfillment of its obligations related to the Property under the Rock Creek Cresta Settlement Agreement, as evidenced by an amendment of the Rock Creek Cresta Settlement Agreement addressing such obligations.

(c) Grantor reserves the right to conduct any and all uses and activities currently or in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith to comply with any applicable FERC license or other regulatory or legal

requirements, including any amendments thereto and replacements thereof, and with applicable regulations and orders of the FERC or other regulatory agencies; and

(d) Grantor reserves the right to conduct any and all uses and activities now or at any time hereafter deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith to comply with the Federal Power Act (Title 16 United States Code, Chapter 12) and any successor statute (the "FPA").

(e) Grantor further reserves to itself the following permanent rights and easements with respect to the foregoing Reserved Rights and Reserved Easements:

(1) the right of ingress to and egress over and across the Property by means of the existing road and/or any replacement or relocation thereof by Grantee, otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to Grantee and to use said roads, lanes, or routes to provide access to any of Grantor's easements and facilities on lands adjacent to the Property;

(2) the right to install, maintain and use gates at Grantor's sole expense at all fences which now or shall hereafter cross the Property; and

(3) the right to mark the location of the Reserved Easements areas by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantee shall make of said easement areas.

2. Required Exercise. An exercise of Grantor's Reserved Rights shall be "required" (as used in the preceding Section III.1) where Grantor determines in its sole discretion exercised in good faith that such exercise is necessary to fulfill requirements or directives of any one or more of the following: (a) the CPUC or the FERC; (b) other local, state or federal governmental entities; (c) any applicable law, ordinance, rule or regulation of any local, state or federal governmental entity; (d) any third party agreement entered into by Grantor in good faith or by which Grantor is bound; or (e) professional engineering and design standards governing the ownership, maintenance, and/or operation of the Hydroelectric Facilities and associated Water Delivery Facilities.

III. TERMS OF GRANT

1. The conveyance by Grantor to Grantee pursuant to this Grant Deed and Reservation of Rights and Easements ("**Grant Deed**") is subject to: (a) a lien securing payment of real estate taxes and assessments; (b) applicable zoning and use laws, ordinances, rules and regulations of any municipality, township, county, state or other governmental agency or authority; (c) all matters that would be disclosed by a physical inspection or survey of the Property or that are actually known to Grantee; and (d) all contracts, leases, licenses, covenants, conditions, easements, restrictions, liens, encumbrances and other exceptions that are recorded or unrecorded.

2. The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the

Property. All future conveyances of the fee interest in the Property shall be consistent with the terms of the Governing Documents. In accordance with Section 12 b (4) of the Stipulation, Grantee and its successors and assigns shall not convey all or any portion of the fee interest in the Property to any governmental entity, public agency or any Native American tribe that may currently have, or come to possess, authority to expand Grantor's obligations under the FPA without the prior written consent of the Grantor, which consent shall be in Grantor's sole discretion exercised in good faith.

IV. MISCELLANEOUS

1. If any provision of this Grant Deed shall be unenforceable or invalid, the same shall not affect the remaining provisions hereof and to this end the provisions hereof are intended to be and shall be severable.

2. The real property hereby conveyed is no longer necessary or useful to Grantor in the performance by it of its duties to the public.

3. The California Public Utilities Commission, in Decision No. _____, has approved transfer of the Property under State of California Public Utilities Code Section 851.

4. This Grant Deed may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5. The Recitals in Section II above are hereby incorporated into this Grant Deed.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, Grantor has duly executed and delivered this Grant Deed and Reservation of Rights and Easements as of _____.

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

Its: _____

Grantee accepts, acknowledges, and agrees to the terms of this Grant Deed.

GRANTEE:

MAIDU SUMMIT CONSORTIUM,
a California nonprofit corporation

By: _____

Print Name: _____

Its: _____

EXHIBIT "A"

PARCEL ONE:

LCP ID #0699

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 35 AND 36 OF TOWNSHIP 27 NORTH, RANGE 6 EAST; SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTION 6 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 2, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 43, PAGE 309 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 6 EAST

THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF NORTHEAST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 35; NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 36;

TOWNSHIP 27 NORTH, RANGE 7 EAST

SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER, ALSO DESIGNATED LOT 4 OF SAID SECTION 31;

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 4 AND 5 OF SAID SECTION 6;

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOTS 1, 2, 3, 4, 5, 6, 7, AND 9, AND NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1; AND LOTS 1 AND 7 OF SAID SECTION 2.

LESS AND EXCEPT PORTIONS OF SAID LOT 9 AND SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006.5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT PORTIONS OF SAID LOT 4 OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AND SAID LOTS 4 AND 5 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, RECORDED AS VOLUME 7, PAGE 134 OF DEEDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31, SAME AS SOUTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45 ° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE SOUTH 17.5 ° EAST 396 FEET; THENCE SOUTH 47.75 ° WEST 330 FEET; THENCE SOUTH 25 ° WEST 104.94 FEET; THENCE SOUTH 52.25 ° EAST 242.22 FEET; THENCE SOUTH 25.75 ° WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31 AND THE POINT OF BEGINNING.

PARCEL 2:
LCP ID #0700

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTIONS 6, 7 AND 18 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 12 OF TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 7 EAST

THE SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER AND SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 31; AND A PORTION OF THE SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 31, ALSO DESIGNATED AS LOT 4, AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE EAST 330 FEET ALONG THE SOUTH LINE OF SAID LOT 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 3, 6, 9 (ALSO DESIGNATED AS SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER), 10, 11 AND 12, AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 6; LOTS 1, 2, 3 AND 4 (LOTS 1 AND 2 ALSO DESIGNATED AS WEST ONE-HALF OF NORTHWEST ONE-QUARTER) AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 7; LOT 1 AND THE EAST ONE-HALF OF NORTHWEST ONE-QUARTER OF SAID SECTION 18; AND PORTIONS OF LOTS 4 AND 5 OF SAID SECTION 6, AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 4; THENCE WEST 330 FEET ALONG THE NORTH LINE OF SAID LOT 4; THENCE SOUTH $17^{\circ} 30'$ EAST 396 FEET; THENCE SOUTH $47^{\circ} 45'$ WEST 330 FEET; THENCE SOUTH 25° WEST 104.94 FEET; THENCE SOUTH $52^{\circ} 15'$ EAST 242.22 FEET; THENCE SOUTH $25^{\circ} 45'$ WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE

SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOT 8, NORTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, AND SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 1, NORTHEAST ONE-QUARTER OF SAID SECTION 12, AND PORTIONS OF LOT 9 AND THE NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006.5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

LESS AND EXCEPT A PORTION OF THE SAID SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 31; THENCE NORTH 70 ° 30' EAST 1601 FEET TO A STAKE AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 31 ° EAST 283.3 FEET TO A STAKE; THENCE NORTH 28 ° 05' EAST 179.3 FEET TO A STAKE; THENCE NORTH 31 ° WEST 283.3 FEET TO A STAKE; THENCE SOUTH 28 ° 05' WEST 179.3 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING:

THE PARCEL OF LAND DESCRIBED IN THE DEED FROM PACIFIC GAS AND ELECTRIC COMPANY TO WINIFRED T. MILLER DATED JANUARY 19, 1922 AND RECORDED IN BOOK 55 OF DEEDS AT PAGE 236, PLUMAS COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE SOUTHWEST CORNER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B.& M, BEARS SOUTH 79 DEGREES 42 MINUTES WEST, 1690 FEET DISTANT, AND RUNNING THENCE NORTH 29 DEGREES 00 MINUTES EAST, 290 FEET; THENCE SOUTH 61 DEGREES 00 MINUTES EAST, 150.2 FEET; THENCE SOUTH 29 DEGREES 00 MINUTES WEST, 290 FEET; THENCE NORTH 61 DEGREES 00 MINUTES WEST, 150.2 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, BEING A PART OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER (SE1/4 OF SW1/4) OF SAID SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B.& M.

PARCEL THREE:

LCP ID #0701

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 5 AND 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

WEST ONE-HALF OF LOT 5 OF SAID SECTION 5 AND LOT 1 AND THE EAST ONE-HALF OF LOT 7 OF SAID SECTION 6.

PARCEL FOUR:

LCP ID #0702

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 1, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 44, PAGE 330 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

THE SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1.

EXHIBIT C

Express Third-Party Uses and Third-Party Use Agreements

1. Pacific Gas and Electric Company Ground Lease with Ronald C. Camper, dated July 10, 2006.
2. Pacific Gas and Electric Company Ground Lease with Betty L. Kaylor, Timothy F. Durkee, Tobin A. Durkee, Leslie Durkee Greathouse and Lynden B. Durkee, dated July 10, 2006.

EXHIBIT D
Conservation Values

Fish, Plant, and Wildlife Habitat

Tasman Koyom (Humbug Valley) is located in Plumas County in the State of California's Sierra Nevada Cascades Ecoregion and Sacramento Hydrologic Unit. Terrestrial habitats, as defined in the California Wildlife Habitat Relationship System (CWHR), in the valley portion of the Property consist of wet meadow habitat (WTM), annual grassland (AGS), aspen (ASP), and montane riparian (MRI). The upland portions of the Property transition from AGS into coniferous forest habitats, including Sierran mixed conifer (SMC), white fir (WFR), and juniper (JUN). The following table contains a list of habitat types and the primary species associated with each:

Habitat Type	Primary Species
Wet meadow (WTM)	Sedge species, rush species, tufted hairgrass
Annual grassland (AGS)	Wild oats, soft chess, brome species
Aspen (ASP)	Aspen, willow, alder
Montane riparian (MRI)	Black cottonwood, bigleaf maple, white alder
Sierran mixed conifer (SMC)	Douglas fir, ponderosa pine, white fir
White fir (WFR)	White fir, douglas fir, sugar pine
Juniper (JUN)	Juniper species, white fir, Jeffrey pine

Several habitats found within the Property are at risk or declining in California. The California Natural Diversity Database (CNDDDB) identifies rare plants that have been found on or in the vicinity of the Property, including bog birch (*Betula glandulosa*), English sundew (*Drosera anglica*), and Quincy lupine (*Lupines dalesiae*). The Humbug Valley watershed ranges from 4400 feet to 7063 feet in elevation, and portions of Yellow, Miller and Humbug Creeks occur within the Property. The portion of Yellow Creek that runs through the Property is a State-designated Wild Trout Water, established by the Fish and Game Commission. Another notable feature of the Humbug Valley ecosystem is the adjacent Big Springs, a perennial flowing spring that is the source of Yellow Creek.

Open Space

The majority of the Property is scenic open space with few facilities and structures visible from adjacent public land, viewsheds and byways.

Outdoor Recreation

Recreational use of the Property by the public is focused on angling, camping, birding, hiking and other passive uses. The Property includes a semi-primitive campground alongside Yellow Creek and Soda Springs State Historic Site and Day Use Area.

Sustainable Forestry

The Property includes timbered land surrounding the meadow. Timberland on the Property includes lands supporting conifer species in the SMC, WFR, and JUN habitat types. The Property also includes lands supporting hardwood species in the ASP and MRI habitat types.

Agricultural Uses

Wild plant foods, medicinal plants, basketry materials, seeds, grasses and bulbs are cultivated for subsistence, medicinal and ceremonial purposes. Prescribed burning, pruning of plants and removal of debris from the understory, among other techniques have been used historically to facilitate the production of food and plants from this area, and contributed substantially to shaping the Property's landscape.

Historic Resources

Tasman Koyom contains a variety of historic and cultural resources. The Property lies within the ancestral territory of the Mountain Maidu people, and holds cultural significance for them. Historic resources include a vacant historic cabin at the former site of the town of Longville along Humbug Road near the center of the valley and a state-designated historic site at Soda Springs.

EXHIBIT E
CDFW's Use of the Property

Fisheries

Survey	Timing	Duration	Number of Staff	Mechanism
Fish Population Monitoring – Electrofishing	Every 5-10 years	1-2 weeks	10-15	Backpack electrofisher, DNA
Fish Population Monitoring – Snorkeling	Every 3-5 years	1 week or less	10-15	Snorkel gear
Angler Creel	Every 10 years	Season-long	1-2	Person to person contact
Angler Survey Box	Annually	Season-long	1-2	Angler participation
Amphibian Surveys	Every 5-10 years	1 week or less	3-5	Dip nets

Wildlife

Survey	Timing	Duration	Number of Staff	Mechanism
Avian – General	Annually	Breeding Season	2-4	Audio playback, mist nets, DNA
Mammals – General	Annually	Season-long	2-10	Live traps, mist nets, cameras, tags, telemetry, dart gun, darts, DNA
Deer	Annually	Season-long	5-10	Telemetry collars, antenna, helicopter, net, dart guns, darts, DNA, camera
Wolf	Annually	Season-long	5-10	Telemetry collars, antenna, helicopter, net, dart guns, darts, DNA, camera
Elk Telemetry Study	Annually	Season-long	5-10	Telemetry collars, antenna, helicopter, net, dart guns, darts,

				DNA, camera
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Hydrological

Survey	Timing	Duration	Number of Staff	Mechanism
Flow and Temperature Studies	Every 5-10 years	1 week or less	5-8	Land survey equipment, flow meter, core sampler, gps, auger, data logger
Meadow Hydrology	Every 5-10 years	6 months	5-8	Land survey equipment, flow meter, core sampler, gps, auger, data logger
Carbon Sequestering	Every 5-10 years	6 months	5-8	Land survey equipment, flow meter, core sampler, gps, auger, data logger

EXHIBIT F

Grantor's Use of the Property

The following uses of the Property are permitted or prohibited, as indicated below. Permitted uses are deemed to be consistent with the Conservation Purposes and do not require approval by the Grantees, unless otherwise indicated. Prohibited uses are deemed to be inconsistent with the Conservation Purposes and may not be authorized by the Grantees. Grantor agrees that all permitted uses shall be carried out in conformance with all local, state and federal laws, including the California Environmental Quality Act ("CEQA"), and the terms of this Conservation Easement.

1. **Subdivision and Partitioning:** Any legal or de facto division, subdivision, lot creation, or partitioning of the Property, including a request for a certificate of compliance pursuant to the Subdivision Map Act (Gov. Code section 66499.35), is prohibited. Notwithstanding that, as of the Effective Date, the Property is comprised of separate legal parcels, the terms and conditions of this Conservation Easement will apply to the Property as a whole, and the Property will not be transferred or otherwise conveyed except as a whole, intact, single piece of real estate; neither Grantor nor Grantor's personal representative, successors, or assigns will transfer or otherwise convey any portion of the Property that constitutes less than the entire fee interest in the Property, except for leasehold interests. The existence of separate legal parcels as of the Effective Date shall not be interpreted to permit any use or activity on a separate legal parcel that would not have been permitted on such parcel under the terms and conditions of this Conservation Easement as applied to the Property as a whole. Upon prior written notification to the Grantees, the Grantor may execute one or more lot-line adjustments that may involve the boundary of the Property, provided, however, that no part of the Property is removed or divided from the Property as a whole, and no boundaries delineating the Zones are altered.
2. **Development Rights:** Except as specifically permitted by this **Exhibit F**, the exercise of any development rights associated with the Property is prohibited, including, without limitation, the right to construct apartment houses; multi-family dwellings; mobile homes; house-trailers; permanent tent facilities or similar structures; golf courses; casinos and gaming facilities; boat ramps; underground tanks; billboards, or street lights. All development rights that are now or hereafter allocated to, implied, reserved or inherent in the Property are assigned, granted, deeded and/or otherwise transferred to and/or vested in and/or otherwise placed under the sole and absolute control and discretion of each Grantee in perpetuity and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described or to any other property nor used for the purpose of calculating permissible lot yield of the Property or any other Property.
3. **Commercial Uses:** Except as specifically permitted by this **Exhibit F**, commercial structures and commercial uses on the Property are prohibited, including but not limited to livestock feedlots; gravel mining; commercial hotels; casinos and gaming facilities; mobile home parks; commercial wind farms; commercial fish hatcheries; billboards; cannabis cultivation, and commercial cultivation of native plants.

For purposes of this Section 3, the term “commercial” shall be defined as any structure or use for which a fee or charge is imposed for the purpose of generating a financial gain that is not dedicated to the not-for-profit mission of the Grantor.

4. Construction and Use of Structures: Notwithstanding any provision herein to the contrary, Grantor shall have the right to construct the following structures in conformance with the size, location and type restrictions herein specified. Grantor shall consult with, and/or seek approval of, Grantees, as set forth below, in accordance with Section 10 of this Conservation Easement and provide construction plans to them before beginning construction.

- a. One (1) Maidu Village that will consist of one (1) traditionally constructed Kummúm (or Roundhouse) as well as up to ten (10) traditional Hybóm (lodges for 3-4 people). Such Village may be constructed only in the Maidu Traditional Village Site designated on the Zones Map attached hereto as **Exhibit G**. Grantor shall consult with Grantees, as required in accordance with Section 10(a) of this Conservation Easement and provide construction plans to them before beginning construction.
- b. One (1) renovated or replaced historic cabin currently existing within the Visitor Center Zone on the Property to be redesigned as a cultural and visitor center of substantially the same character and size, without increasing its square footage. Retrofit construction is permitted in order to conform the building to applicable building codes. Uses of the cultural and visitor center shall not be inconsistent with the Conservation Purposes and shall not significantly impair the Conservation Values. A septic system, restroom, commercial grade well and parking area may also be constructed to serve such cultural and visitor center. Grantor shall seek approval of Grantees, as required in accordance with Section 10(b) of this Conservation Easement and provide construction plans to them before beginning construction.
- c. Not more than ten (10) seasonal recreational cabins for periodic use that do not include cooking or bathroom facilities and that do not exceed 300 square feet each; not more than fifty (50) campsites (including existing campsites) and a campfire circle to be located at or adjacent to the existing Yellow Creek Campground within the Campground Zone; and associated bathroom and shower facilities along with an outdoor food preparation and dining area. These structures may be constructed only within the Campground Zone designated on the Zones Map attached hereto as **Exhibit G**. Grantor may operate and maintain such campsites and recreational cabins as a commercial campground. Use of the cabins, campgrounds and associated facilities shall not be inconsistent with the Conservation Purpose and shall not significantly impair the Conservation Values. Grantor shall seek approval of Grantees, as required in accordance with Section 10(b) of this Conservation Easement and provide construction plans to them before beginning construction.

- d. One (1) information kiosk to be installed in the Visitor Center Zone, and interpretative signage to be installed at designated entry points along existing roads or new roads in order to provide educational, interpretative and safety information to the public. Grantor shall seek approval of Grantees, as required in accordance with Section 10(b) of this Conservation Easement and provide construction plans to them before beginning construction.
- e. Solar energy structures, including photovoltaic panels, mounting hardware, storage batteries, controllers, inverters, grounding equipment and wiring; and other renewable energy structures as necessary to provide energy for the uses of the Property permitted in this Conservation Easement, subject to approval by the Grantees, which approval shall not be unreasonably withheld. Installation or repair of existing utility systems on the Property is permitted. Construction of power generation and transmission facilities for commercial purposes is prohibited. All utility infrastructure on the Property shall be designed and constructed for the purpose of serving only the permitted improvements on the Property; however, any power generated from permitted utility infrastructure facilities in excess of requirements of the permitted improvements and uses on the Property may be sold to a public utility. Grantor shall seek approval of Grantees, as required in accordance with Section 10(b) of this Conservation Easement and provide construction plans to them before beginning construction.
- f. Unless otherwise provided, for each structure permitted under this Section 4, appurtenant power generation, power sources or water production facilities are permitted to supply power or water for the permitted uses set forth in this Conservation Easement.
- g. One (1) existing structure known as the Soda Springs Historic Site, as identified on the Zones Map attached to this Exhibit G. Grantor may maintain or restore the Site as necessary to retain its historical integrity. Grantor shall consult with Grantees, as required in accordance with Section 10(a) of this Conservation Easement and provide construction plans to them before beginning construction.

5. Roads: Grantor may maintain, repair, or replace existing roads on the Property, taking care to ensure that any such activities are consistent with the current footprint and level of improvement of such roads. Grantor shall have the right to limit or prohibit access to existing nonpublic roads, provided such actions are consistent with existing rights of way and/or easements on the Property, and further, that such actions are consistent with Section 3 and Section 8 of this Conservation Easement. Grantor may upgrade existing roads within the same footprint of such roads, subject to consultation with the Grantees pursuant to Section 10(a) of this Conservation Easement. Grantor may construct new roads to provide access to existing structures or structures authorized to be constructed by this Easement. The location and construction of such

new roads shall be approved by the Grantees, which approval shall not be unreasonably withheld. Any other alteration of the surface or general topography of the Property for the purpose of construction, improvement or replacement of roads for motorized vehicles of any type or for the purpose of paving such roads is prohibited.

6. Fences and Gates: Grantor may construct, place and erect fencing and gates only as necessary for permitted uses of the Property. The construction and installation of fencing and gates shall not significantly impair the Conservation Values and shall not interfere with the public access requirements set forth in Section 8 of this Conservation Easement. In the event of destruction or deterioration of any fences and gates, whether existing at the date hereof or constructed subsequently in accordance with the provisions of this Conservation Easement, the Grantor may maintain, remove and/or replace such fencing and gates with replacements of substantially the same size.

7. Trails: Grantor may construct and maintain trails (defined as any definable route less than five (5) feet in width, not including curbs, cuts or fills) for recreational and educational purposes, and for use by pedestrians, horses and mules, and bicycles. Grantor may use motorized vehicles on trails for management and cultural purposes, provided such use does not significantly impair the Conservation Values. Otherwise, motorized vehicles are prohibited on trails. The following requirements for the construction and maintenance of such new trails shall apply: (a) the surface of the trail shall remain pervious (such as dirt, wood chips or gravel) (except within the designated Zones and except as may be required by federal, state or local laws relating to access for disabled persons); (b) the trail shall be located, to the extent possible, in the path of a trail or forestry road existing on the Effective Date, as defined in the Baseline Documentation Report; (c) the trail shall be constructed and maintained so as to minimize erosion and sedimentation and ensure proper drainage; (d) the trail shall be otherwise installed in a manner to avoid unnecessary tree removal, grading and other land disturbance, but allowing for selective brush removal; and (e) prior to construction of trails, Grantor shall submit to the Grantees a qualified scientist's opinion that the proposed trail construction will not impact any special status, endangered or threatened species, or their habitats, listed in the Baseline Documentation Report, or any other such designated species or habitats identified at the time of the proposed construction. Grantees may request consultation regarding construction of trails under Section 10(a) of this Conservation Easement.

8. Recreational Uses: Subject to and without limiting the requirements of Section 8 of this Conservation Easement, including the prior approval of the Grantees as required under Section 8(b) of this Conservation Easement, Grantor may make the Property available for low-intensity outdoor recreational and educational activities, including hiking; nature study; camping in the Campground Zone; hunting; fishing; canoeing; and educational programs. Grantor may impose a reasonable charge for new and expanded uses approved by Grantees under Section 8(b) of this Conservation Easement. Grantor may enter into agreements with third parties for delivery of such commercial recreational and educational activities. All such activities shall be conducted in compliance with federal, state and local laws.

9. Traditional Activities: Grantor may gather plants, nuts, seeds or other

materials related to the Mountain Maidu's traditional culture on the Property. Private and/or public Mountain Maidu traditional recreational, spiritual, cultural, and educational activities shall be permitted on the Property, including but not limited to, ceremonies, dances, games, and knowledge sharing workshops. Grantor shall conduct its cultural activities in a manner that does not significantly impair the Conservation Values. Grantor may inter the human remains of deceased persons of Mountain Maidu descent in the remaining interment spaces within the existing Maidu private cemetery on the Property, subject to federal, state, and local laws. The interment of human remains shall not significantly impair the Conservation Values.

10. Water Resources: As necessary and appropriate to carry out the uses permitted by this Conservation Easement, Grantor may, after obtaining any necessary state permits, develop, enhance and maintain water resources on the Property for habitat restoration, water consumption in connection with permitted uses, and permitted recreation uses, provided that such activities are consistent with and do not violate PG&E's Reserved Rights and do not significantly impair the Conservation Values. Permitted uses include, without limitation, the construction, repair, and maintenance of ponds and irrigation systems, installation and maintenance of wells, and the development of water capture and delivery facilities, including but not limited to water lines and access roads or trails to water facilities consistent with Section 5 and Section 7 of this Exhibit F. Water may be exported off the Property for immediate fire control response or wildfire emergency. Other than as permitted in this section, the manipulation, impoundment, or alteration of any natural swale, natural water course, non-human constructed channel, wetland, stream-bank, vernal pool, perennial spring, water circulation, or any other body of water are prohibited.

11. Water and Mineral Rights: The transfer, encumbrance, sale, lease, severance, or other separation of the mineral, or water rights for the Property by Grantor is prohibited without the prior approval of each Grantee, which each Grantee may withhold in its absolute discretion, and otherwise in accordance with Section 10 of this Conservation Easement. The following are also prohibited: changing the place or purpose of use of any water rights; abandoning or allowing the abandonment of, by action or inaction, any water or water rights, ditch or ditch rights, spring rights, reservoir or storage rights, wells, ground water rights, or other rights in and to the use of water historically used on or otherwise appurtenant to the Property, including but not limited to: (1) riparian water rights; (2) appropriative water rights; (3) rights to waters which are secured under contract with any irrigation or water district, to the extent such waters are customarily applied to the Property; and (4) any groundwater from wells that are in existence or may be constructed in the future on the Property. Nothing herein restricts the right of Grantor to enter into sales, purchases, leases, exchanges, and other transactions in water rights, such as forbearance agreements or the use of Water Code section 1707, with a government agency or nonprofit organization for wildlife, ecological enhancement purposes, or other in-stream Conservation Values, subject to the sole discretion and prior written approval of each Grantee under Section 10(b) of this Conservation Easement, provided that any such transfer does not significantly impair other Conservation Values of this Conservation Easement.

12. Air Rights: The transfer, encumbrance, sale, lease, severance or other

separation of the air rights attached to the Property by Grantor is prohibited without the prior approval of each Grantee in accordance with Section 10 of this Conservation Easement, which each Grantee may withhold in its absolute discretion. Grantor shall not use or authorize others to use the airspace above the Property for commercial or private aviation, including but not limited to, airplane flights, ultralight flights; hang gliding; glider flights; rotor craft flights; balloon flights; airship flights; and light sport airplane flights. Grantor may use unmanned aerial vehicles for management or monitoring purposes, but shall not authorize others to use such airspace above the Property for that purpose. Grantees may use unmanned aerial vehicles for monitoring purposes, provided each or both notifies Grantor in writing of such intended use thirty (30) days in advance of each flight.

13. Natural Resource Management: Grantor may protect, restore, enhance and maintain the natural resources on the Property, including, without limitation, stabilization of banks and soils, vegetation management; fire control and the enhancement of biodiversity, all, in accordance with sound, generally accepted practices such as prescriptive grazing, prescriptive burning, harvesting, thinning, planting and brush removal, provided such activities do not significantly impair the Conservation Values. The intentional introduction of non-native tree or other plant species is prohibited. Grantor may remove or control invasive, non-native plant species or feral, non-native animal species, using techniques that minimize harm to native wildlife and plants, provided such activities do not significantly impair the Conservation Values.

14. Refuse and Hazardous Materials: The dumping, deposit, permanent storage and/or disposal of refuse, soil, trash, contaminated soil, waste, bio-solids, debris, sewer sludge, agrichemicals, herbicides, pesticides, or any other dangerous, toxic, hazardous or unsightly materials on the Property is prohibited.

15. Minerals: Grantor may not explore for or extract minerals on the Property, provided that notwithstanding the foregoing, Grantor may remove existing rocks from the Property to be used for the purpose of blocking off roads on the Property, delineating camping areas and for other purposes on the Property approved by the Grantees under Section 10(b), which approval shall not be unreasonably withheld, conditioned or delayed. Grantor may further remove gravel and shale for the purposes of building permitted structures and/or maintaining permitted roads on the Property. No removal of rocks may occur within 50' slope distance of any perennial or ephemeral watercourse, as such term is defined in the California Forest Practice Rules 2013, Title 14 California Code of Regulations, Chapter 4 Article 1, 895.1, as amended. Erosion control and drainage structures are not considered "man-made watercourses" under this Conservation Easement. Other than as permitted by this section, the filling, dumping, excavating, draining, dredging, mining, hydraulic fracturing, drilling, removing or exploring for or extracting minerals, loam, soil, sands, hydrocarbons, gravel, rocks or other similar material on or below the surface of the Property, or granting or authorizing surface entry for any such purpose are prohibited.

16. Forest Management:

a. **Permitted Forestry Practices:** The Grantor reserves the right to harvest, cut or remove trees and vegetation for the following purposes and to use or sell the

timber products resulting from such activities, all in accordance with the forest management component of the Management Plan ("Forest Management Plan Component"):

- (i) for firewood for use on the Property and for direct, personal use by members of the Maidu community outside the Property, provided such use does not significantly impair the Conservation Values;
- (ii) for the removal of trees and milling of lumber to be used by Grantor for construction purposes on the Property as permitted by this Conservation Easement, in connection with which Grantor may make use of a portable sawmill on the Property;
- (iii) to prevent, mitigate and/or respond to any natural disaster (such as wildfire, insect and disease outbreak, drought or wind damage), including the salvage and removal of dead, dying, or diseased timber; and the creation of fuel breaks;
- (iv) to promote the health and sustainability of the Property's natural resources, to restore and maintain an ecologically appropriate mix of overstory and understory vegetation and to control invasive and non-native vegetation, with the goal of old growth stand establishment and management;
- (v) to reduce or manage fuel loads, favor or maintain specific native vegetation types, or otherwise promote forest health by prescriptive burns and fire management activities including but not limited to grazing by goats or other herbivores;
- (vi) for wildlife habitat restoration or management; and
- (vii) for the removal of trees in connection with the clearing of areas for structures as permitted by this Conservation Easement.

Prior to the approval of the Forest Management Plan Component, Grantor may harvest, cut or remove trees and vegetation for the purposes of ensuring public or personal safety on the Property.

Grantor further may carry out forest management activities not expressly set forth above, provided, however, that all such activities are conducted in a manner that is consistent with the Conservation Purposes and other terms and conditions of this Conservation Easement. Snags shall be retained for wildlife habitat benefits and shall not be intentionally removed, except for reasons of public safety or adherence to the objectives of the Management Plan, and in accordance with the requirements of the California Forest Practice Act and Rules;

b. **Forest Management Planning**: The Forest Management Component of the Management Plan shall be prepared and approved by a Registered Professional Forester or by an equivalent professional who is reasonably acceptable to the Grantees. The goals of the Forest Management Component of the Management Plan shall be to

create, manage and preserve a healthy and vigorous forest with sustainable stands of native tree species; to manage the forest to improve resilience to drought and pests; to reduce build-up of fuels that create risks of catastrophic fire; and to create and maintain a full and balanced variety of stand species, ages and characteristics; and to manage the forest to enhance wildlife and fish habitat as determined by Grantor. The Forest Management Component of the Management Plan will identify objectives to protect and enhance resources, including cultural resources. Planning will investigate the potential for a traditional demonstration management area to educate the public about Native American traditional ecological practices used in the area.

c. **Timber Harvest Plans:** Except for actions to mitigate threat(s) to public or personal safety, any permit applications associated with proposed Timber Harvest Plans, shall be submitted to Grantees for review and consultation under Section 10(a) of this Conservation Easement at least 30 days prior to the submission of the application to the California Department of Forestry and Fire Protection ("Cal Fire"). Grantor shall notify Grantees immediately of any proposed actions to be taken on an emergency basis to protect public or personal safety. If review of the proposed Timber Harvest Plan by Cal Fire results in modifications to the proposed Timber Harvest Plan, Grantor shall further consult with Grantees in accordance with Section 10(a) of this Conservation Easement.

d. **Reports:** Grantor shall submit to Grantees a report on harvest levels and their impact, if any, on the Conservation Purposes and Conservation Values of the Property every ten (10) years. Grantees and the Grantor may agree that the report can be deferred beyond the ten-year period.

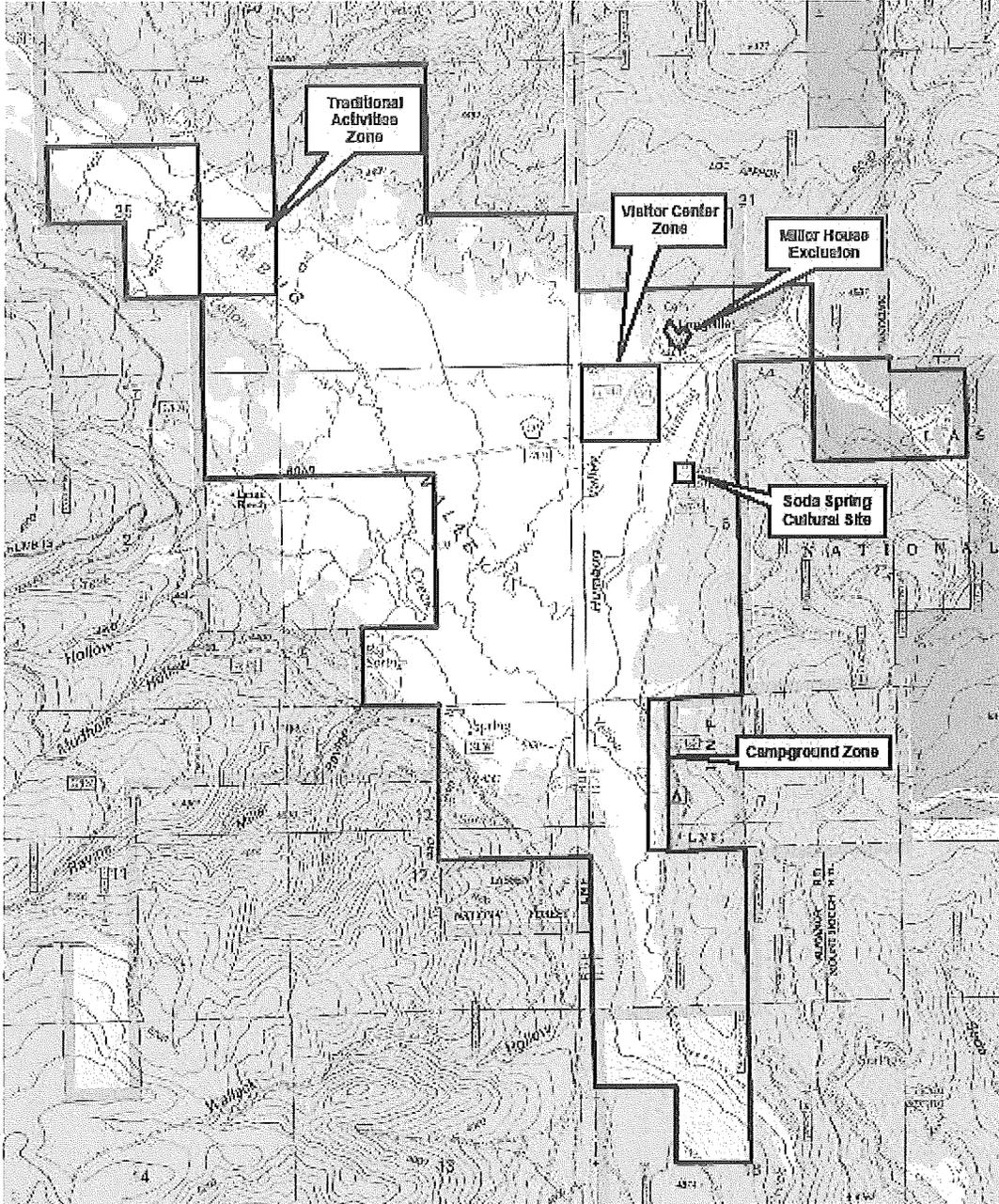
17. Fire Management: Fire protection and suppression activities shall be permitted on the Property, provided such activities do not significantly impair the Conservation Values. Except where Grantor is required to take emergency action to protect public or personal safety, Grantor shall consult with Grantees under Section 10(a) of this Conservation Easement before undertaking any fire management activities under this section. Where Grantor is required to take emergency action to protect public or personal safety, such action shall be carried out in a manner designed to minimize impacts on the Conservation Values.

18. Carbon Rights: Grantor hereby reserves for itself and its successors and assigns all carbon rights and the right to sell carbon rights that are part of and appurtenant to the Property for forest-based carbon storage occurring by virtue of the forest management and other restrictions established herein starting as of the Effective Date. For the purposes of this Conservation Easement, carbon rights and carbon as described herein are rights that currently exist or may come to exist in the future and are associated with the absorption by plants of carbon dioxide from the atmosphere and its conversion to carbon stored in trees and plants on the Property or stored in wood products extracted pursuant to forest management activities permitted herein, and trees and other vegetation and associated roots, surface duff and organic elements in the soil on the Property;

19. Agriculture: Ranching and commercial and non-commercial production of agricultural crops is limited to (1) the planting and harvesting of native plants as may become viable for Grantor in the future; (2) other ranching and agricultural activities which do not significantly impair the Conservation Values, provided any and all such uses are approved in advance by the Grantees in accordance with Section 10(b) of this Conservation Easement, which approval shall not be unreasonably withheld, conditioned or delayed; and (3) as otherwise permitted by this Conservation Easement. Other than as permitted by this Section 19, the plowing, disking, cultivation, ripping, planting, sowing, irrigation, or any other conversion of the Property to crops, orchards, vineyards, or any other agricultural use or disturbance of the Property and its native vegetation are prohibited. Intentional seeding, planting, or introduction of exotic or non-native plant species are prohibited.

20. Vehicle Use : Grantor may authorize the use of motorized vehicles on designated roadways for the recreational uses permitted in Section 8 of this **Exhibit F**. Except as permitted in Section 8 of this **Exhibit F**, commercial recreational vehicle use is prohibited. Grantor shall take reasonable and practicable actions to ensure that all vehicles use only designated roads, and that unauthorized third parties are prevented from using motorized vehicles on the Property, provided, however, that Grantor shall not be responsible for injuries or changes to the Property caused by such uses beyond Grantor's control. In no event shall any all-terrain vehicles, off-road vehicles, or off-highway vehicles, including without limitation four-wheelers, three-wheelers, snowmobiles, and/or motorcycles be used off designated roadways, except when used by Grantor for management or to exercise Maidu traditional cultural purposes, provided such uses do not significantly impair the Conservation Values.

EXHIBIT G
 Map of Zones



Traditional Activities Zone	40 acres	Miller House Exclusion	2.0 acres
Visitor Center Zone	40 acres	Campground Zone	20 acres
Soda Spring Cultural Site	2.5 acres		

EXHIBIT H

Insurance Requirements

Grantor shall procure, carry, and maintain at all times the following insurance coverage:

1. Workers' Compensation and Employers' Liability:
 - a. Workers' compensation insurance or self-insurance indicating compliance with any applicable federal or state labor codes, laws, or statutes.
 - b. Employers' liability insurance shall not be less than **one hundred thousand dollars (\$100,000)** for injury or death each accident.

2. Commercial General Liability:
 - a. Coverage shall be at least as broad as the Insurance Services Office (ISO) Commercial General Liability Coverage "occurrence" form, with no coverage deletions.
 - b. The limit shall not be less than **one million dollars (\$1,000,000)** each occurrence and **two million dollars (\$2,000,000)** aggregate for bodily injury, property damage, and personal injury.
 - c. Coverage shall add as additional insureds Grantees, their directors, officers, employees, and volunteers with respect to liability arising out of work performed by or for Grantor, and Coverage shall be endorsed to specify that Grantor's insurance is primary.

3. Business Auto:
 - a. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form covering Automobile Liability, Code 1 "any auto".
 - b. The limit shall not be less than **one million dollars (\$1,000,000)** each accident for bodily injury and property damage.

4. Additional Insurance Provisions:
 - a. Upon change in carrier or coverage, or otherwise upon request of either Grantee, Grantor shall furnish Grantees with certificates of insurance and endorsements of all required insurance for Grantor.
 - b. The documentation shall be signed by a person authorized by that insurer to bind coverage on its behalf and shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to Grantees.
 - c. Upon request by either Grantee, not to exceed once annually, Grantor shall furnish Grantees with complete copies of its policies, the policies of its agents or contractors, or both.

EXHIBIT I
Draft Power of Termination

[Follows this page]

RECORDING REQUESTED BY AND)
WHEN RECORDED MAIL TO:)
)
)
)
State of California)
Wildlife Conservation Board)
1807 13th Street, Suite 103)
Sacramento, CA 95811)

6.22.16 Stewardship Council Draft

Space Above Line for Recorder's Use Only

**RESTRICTIONS ON TRANSFER OF PROPERTY AND POWER OF TERMINATION
IN FAVOR OF CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE**

Pertinent Facts

1. Pacific Gas and Electric Company (PG&E) conveyed the Property (comprised of SBEs [INSERT SBE NUMBERS]) to the Maidu Summit Consortium ("MSC") by grant deed ("Grant Deed") on or about [INSERT DATE OF CONVEYANCE].
2. On or about [INSERT DATE], MSC granted to the California Department of Fish and Wildlife ("CDFW") and the Feather River Land Trust, as co-grantees, a conservation easement over the Property ("Conservation Easement").
3. As an integral component of the conveyance, and in order to ensure the protection and preservation of the beneficial public values of the Property conveyed to MSC by donation, to protect the Property for the benefit of the citizens of California, and to comply with the requirements of the Land Conservation Commitment governing the disposition of the Property, MSC agreed to execute and record a power of termination ("Power of Termination") in favor of the State of California, acting by and through CDFW, pursuant to Section 885.010 of the California Civil Code.

NOW, THEREFORE, in light of the Pertinent Facts, fee title to the Property conveyed to MSC by PG&E under the Grant Deed is and will hereafter be subject to restrictions on the transfer of the Property and a Power of Termination in favor of CDFW, as follows:

I. RESTRICTIONS ON THE TRANSFER OF THE PROPERTY

1. Transfer of the Property. MSC shall not convey, grant rights to or in, or otherwise transfer the Property, or any portion thereof or title thereto, or any estate, ownership or interest or right therein without obtaining the prior written approval of CDFW, which approval shall not be unreasonably withheld. The purpose of CDFW's approval is to ensure that any conveyance, grant, or transfer, is consistent with the purposes of protecting and preserving the beneficial public

values of the Property and will not result in the Conservation Easement becoming unenforceable, and any withholding of consent in furtherance of this aim shall not be unreasonable. Nothing in this Section I(1) shall prevent MSC from maintaining, renewing, or replacing all agreements, including licenses memorializing the Express Third Party Uses that validly exist as of the date of recordation of this Power of Termination and as further defined in Section ___ of the Conservation Easement.

2. Use of the Property as Security. MSC shall not use the Property as security for any debt nor shall it encumber the Property with any liens or other financial encumbrances without the prior written approval of CDFW, which approval shall not be unreasonably withheld.

II. POWER OF TERMINATION

1. Violation. If CDFW believes that MSC has violated or taken steps to violate any of the restrictions on the transfer or encumbrance of the Property set forth in Section I, CDFW shall provide written notice to MSC of such action (the "Potential Violation Notice"). Within thirty (30) days of Receipt of the Potential Violation Notice by MSC, CDFW and MSC shall meet and confer in good faith to seek a resolution of the matter. If the parties are unable to resolve the matter through good faith efforts within ninety (90) days of Receipt of the Potential Violation Notice, CDFW shall provide written notice to MSC of such violation (the "Violation Notice") and, upon delivery in accordance with Section III.6 hereof ("Receipt") of the Violation Notice, all right, title, and interest in the Property shall automatically vest in the State of California, acting by and through CDFW or its successor. CDFW or its successor shall record its exercise of this Power of Termination in the appropriate real property recorder's office of Plumas County.
2. MSC Dissolution. If MSC ceases to exist, for any reason, prior to a transfer of MSC's title to the Property in compliance with Section I.1 then should CDFW or its successor in its sole discretion so elect, this Power of Termination shall be deemed to have been violated, and all right, title, and interest in the Property shall automatically vest in the State of California, acting by and through CDFW or its successor. CDFW or its successor shall record its exercise of this Power of Termination in the appropriate real property recorder's office of Plumas County. For the avoidance of doubt any transfer of the Property by a receiver appointed by a court that has jurisdiction over the dissolution or any such other winding up proceedings in respect of MSC pursuant to Sections 6510-6721 of the California Corporations Code shall remain subject to the restrictions set out in Section I.
3. CDFW Designee. Notwithstanding the foregoing, CDFW may designate in writing in the notice another not for profit organization, state agency or local government agency, qualified under California law, to accept the right, title and

interest in the Property, giving priority where possible to organizations with experience and expertise in holding and managing American Indian land, in which case all right, title and interest shall vest in the not for profit organization, state agency or local government agency so designated, rather than in the State of California.

III. OTHER PROVISIONS

1. Benefit and Burden. This Power of Termination shall run with and burden the Property. All obligations, terms, conditions, and restrictions imposed by this Power of Termination shall be deemed covenants and restrictions running with the land, shall be effective limitations on the use of the Property from the date of recordation of this document, and shall bind MSC and all its successors and assigns. This Power of Termination shall benefit the State of California, acting by and through the California Department of Fish and Wildlife.
2. Successors and Assigns. The provisions of this Power of Termination shall bind and inure to the benefit of the successors and assigns of MSC and the California Department of Fish and Wildlife, whether voluntary or involuntary.
3. Severability. If any term or provision of this Power of Termination is determined to be invalid, illegal, or incapable of being enforced by any rule or law or if any court renders a final judgment declaring that any term or provision of this Power of Termination is invalid, illegal, or incapable of being enforced, all other terms and provisions of this Power of Termination shall remain in full force and effect.
4. Term. This Power of Termination is perpetual and irrevocable.
5. Amendment. No change, modification, or amendment of this Power of Termination shall be valid unless made in writing, signed by both MSC and CDFW, and recorded in the official records of Plumas County, California.
6. Notices. Any notice, demand, request, consent, approval, or other communication that either party desires or is required to give to the other shall be conclusively deemed to have been duly given (a) when hand delivered to the other party personally; (b) the next business day after deposit with a national overnight delivery service, postage prepaid, with next business day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider; or (c) three business days after deposit in the United States mail with first class or certified mail receipt requested, postage fully prepaid, and addressed as follows:

To MSC: Maidu Summit Consortium
 289 Main Street
 Chester, CA 96020
 Ken Holbrook, Executive Director

TO CDFW: Department of Fish and Wildlife
North Central Region
1701 Nimbus Road
Rancho Cordova, CA 95670
Attn: Regional Manager

Copy to: Department of Fish and Wildlife
Office of General Counsel
1416 Ninth Street, 12th Floor
Sacramento, CA 95814-2090

or to such other addresses as either party shall designate by written notice to the other.

MAIDU SUMMIT CONSORTIUM
A California 501(c)(3) Non-Profit Corporation

By: _____
[INSERT NAME]
[INSERT TITLE]

EXHIBIT J

Encumbrances

The recorded encumbrances identified in the property include:

1. An easement over Parcel 700 for access to county road from APN 001-390-001 and incidental purposes, as reserved by James W. Goodwin, in deed recorded November 29, 1915 in Book 48 of Deeds at Page 5959, Plumas County Records.
2. An easement over Parcel 700 for access to county road from APN 001-390-002 and incidental purposes, as granted to Winifred T. Miller in Deed recorded March 15, 1922 in Book 55 of Deeds at Page 236, Plumas County Records.
3. An easement over Parcel 700 for roads and timber and incidental purposes, as granted to United States of America in Deed recorded February 16, 1972 in Book 209 of Official Records at Page 599, Plumas County Records.
4. An easement over Parcel 700 for existing roads and incidental purposes, as granted to United States of America in Deed recorded December 18, 1973 in Book 229 of Official Records at Page 116, Plumas County Records.

Attachment C

Encroachment Agreement

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
Land Services Office
350 Salem Street
Chico, CA 95928

Location: City/Uninc _____
Recording Fee \$ _____

Document Transfer Tax \$ _____

- This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
 Computed on Full Value of Property Conveyed, or
 Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale

Signature of declarant or agent determining tax

(APN 001-390-PGE)
LD#

ENCROACHMENT AGREEMENT

This Encroachment Agreement (this "**Agreement**") is made and entered into this ___ day of _____, 2019 by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called "**PG&E**", and JOHN GILLAM and LINDA W. GILLAM, as husband and wife, hereinafter called "**Owner**."

RECITALS

A. Owner is the fee title owner of certain real property within the County of Plumas, State of California, Assessor's Parcel Numbers 001-390-002 and 001-390-001 (hereinafter, the "**Owners Property**") legally described in **Exhibit "A"** attached hereto and made a part hereof.

B. PG&E is the owner of that certain real property within the County of Plumas, State of California, State Board of Equalization Number 135-32-003A-1 (hereinafter, the "**PG&E Property**") legally described in **Exhibit "B"** attached hereto and made a part hereof.

C. Owner purchased the Owners Property with a previously constructed building, including other improvements associated therewith (the "**Improvements**") which appear to extend onto PG&E Property. The portion of the PG&E Property upon which the Improvements were constructed (the "**Encroachment Area**") is approximately shown by the heavy dashed lines on **Exhibit "C"** attached hereto and made a part hereof.

D. Owner has requested that PG&E grant permission for the Improvements within the PG&E Property. PG&E has determined that the Improvements do not interfere with the present

full use of the PG&E Property by PG&E, and PG&E is therefore willing to agree to allow such encroachment on the PG&E Property on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and PG&E hereby agree as follows:

1. Consent to Encroachment. PG&E hereby consents to the encroachment of the Improvements onto the PG&E Property as shown on Exhibit "C". In addition, Owner shall have the right of ingress and egress over the PG&E Property to obtain access to the Encroachment Area and the Improvements when necessary to fulfill Owner's obligations under this Agreement, in such areas as PG&E determines, in its sole and absolute discretion, will occasion the least practicable damage and inconvenience to PG&E, its facilities and operations.

2. Governmental Approvals. This Agreement shall not become effective, notwithstanding that it may have been executed and delivered by the parties, unless and until the California Public Utilities Commission (the "CPUC") approves this Agreement by an order which is final, unconditional and unappealable (including exhaustion of all administrative appeals or remedies before the CPUC), and the terms and conditions of such CPUC approval are satisfactory to PG&E in its sole and absolute discretion. This Agreement is made subject to all the provisions of such approval, as more particularly set forth in CPUC Advice Letter _____, in like manner as though said provisions were set forth in full herein.

3. Indemnification. Owner shall, to the maximum extent permitted by law, indemnify, protect, defend and hold harmless PG&E, its parent corporation, subsidiaries and affiliates, and their respective officers, managers, directors, representatives, agents, employees, transferees, successors and assigns (each, an "**Indemnitee**" and collectively, "**Indemnitees**") from and against all claims, losses (including, but not limited to, diminution in value), actions, demands, damages, costs, expenses (including, but not limited to, experts fees and reasonable attorneys' fees and costs) and liabilities of whatever kind or nature (collectively, "**Claims**"), which arise from or are in any way connected with the occupancy or use of the Encroachment Area by Owner or Owner's contractors, agents, or invitees, or the exercise by Owner of its rights hereunder, or the performance of, or failure to perform, Owner's duties under this Agreement, including, but not limited to, Claims arising out of: (1) injury to or death of persons, including but not limited to employees of PG&E; (2) injury to property or other interest of PG&E, Owner or any third party; (3) violation of any applicable federal, state, or local laws, statutes, regulations, or ordinances, including all legal requirements relating to human health or the environment, and including any liability which may be imposed by law or regulation without regard to fault; excepting only with respect to any Indemnitee, any Claim arising from the sole, active negligence or willful misconduct of such Indemnitee. In the event any action or proceeding is brought against any Indemnitee for any Claim against which Owner is obligated to indemnify or provide a defense hereunder, Owner upon written notice from PG&E shall defend such action or proceeding at Owner's sole expense by counsel approved by PG&E, which approval shall not be unreasonably withheld, conditioned or delayed.

4. Release. Owner accepts all risk relating to its occupancy and use of the PG&E Property. PG&E shall not be liable to Owner for, and Owner hereby waives, releases, exonerates, discharges and covenants not to sue PG&E and the other Indemnitees from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage, or loss resulting from or attributable to any occurrence on or about the PG&E Property, the condition of the PG&E Property, the use or occupancy of the PG&E Property by Owner, or PG&E's operation and maintenance of PG&E's facilities in the vicinity of the Encroachment Area, except in the case of any injury, damage, or loss arising from the sole, active negligence or willful misconduct of PG&E.

5. Compliance with Laws. Owner shall, at its sole cost and expense, comply with all laws, statutes, ordinances, rules, regulations, requirements or orders of municipal, state, and federal authorities now in force or that may later be in force, with the conditions of any permit, relating to Owner's use or occupancy of the PG&E Property.

6. Alterations. Except for the Improvements authorized pursuant to this Agreement, Owner shall not construct any additional buildings or structures on the PG&E Property, nor shall Owner make any alteration, addition or improvement to the Encroachment Area that would increase the Encroachment Area, either horizontally or vertically.

7. Damage or Destruction. In the event that the Improvements which encroach onto the Easement Area shall be destroyed or demolished, Owner shall not rebuild the Improvements on any part of the PG&E Property except pursuant to plans and specifications approved by PG&E.

8. Condition of Easement Area. Owner accepts the Encroachment Area in its existing physical condition, without any duty or obligation on the part of PG&E to modify its use of the PG&E Property. Owner understands that numerous hazards, environmental or otherwise, may be located in, on, or underlying the PG&E Property, and agrees that entry onto the PG&E Property is at Owner's sole risk and expense.

9. Attornment. If PG&E shall sell, convey or otherwise transfer fee title to the Property, PG&E's interest in this Agreement concerning the Encroachment Area or any portion thereof, shall transfer to one or more transferees. PG&E shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of PG&E under this Agreement, accruing from or after the date of such sale, conveyance or transfer, and Owner shall look solely to the transferee or transferees for performance of the obligations of PG&E under this Agreement. This Agreement shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Owner agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to this Agreement.

10. Maintenance. Owner shall be responsible for the maintenance of the Improvements in good condition and repair, and Owner shall coordinate all activities regarding the maintenance of the Improvements to reasonably minimize any interference with the use by PG&E of the PG&E Property, and Owner shall conduct its activities in such a manner so as not to endanger the PG&E Property, the environment and human health and safety. Owner shall be responsible for remediation of any hazardous materials release caused by Owner, and to clean and remove debris

and/or promptly repair any damages to the PG&E Property following any entry or activity by Owner, returning the PG&E Property to a like or better condition.

11. Reserved Rights. PG&E reserves the right to use the PG&E Property for such purposes as it may deem necessary or appropriate if, and whenever, in the interest of its service to its patrons or consumers or the public, it shall appear necessary or desirable to do so.

12. Notice. Any notices or communications hereunder shall be in writing and shall be personally delivered or sent by first class mail, certified or registered, postage prepaid, or sent by national overnight courier, with charges prepaid for next business day delivery, addressed to the addressee party at its address or addresses listed below, or to such other address or addresses for a party as such party may from time to time designate by notice given to the other party. Notices shall be deemed received, if sent by personal delivery upon actual receipt by the party being sent the notice, or on the expiration of three (3) business days after the date of mailing, or on the following business day if sent by overnight courier.

If to PG&E:

Manager, Hydro Support
PG&E Hydro Support
111 Stony Circle
Santa Rosa, CA 94501-9599

With a copy to:

Pacific Gas and Electric Company
P.O. Box 7442, Mail Code B30A
San Francisco, California 94120
Attention: Grant Guerra

If to Owner:

John & Linda Gillam
PO Box 1926
Chester, CA 96020

13. Governing Law. This Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

14. Entire Agreement. This Agreement supersedes all previous oral and written agreements between and representations by or on behalf of the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended except by a written agreement executed by the parties.

15. Binding Effect. This Agreement and the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, successors and assigns. No assignment or delegation by Owner, whether by operation of law

or otherwise, shall relieve Owner of any of its duties, obligations or liabilities hereunder, in whole or in part. The covenants of Owner hereunder shall run with the land.

16. Assignment. This Agreement and the rights of Owner hereunder are appurtenant to the Property presently owned by Owner and may not be separately assigned, transferred, conveyed or encumbered. Any purported assignment, transfer, conveyance or encumbrance violating the foregoing condition shall be void and of no effect.

17. No Waiver. No waiver with respect to any provision of this Agreement shall be effective unless in writing and signed by the party against whom it is asserted. No waiver of any provision of this Agreement by a party shall be construed as a waiver of any subsequent breach or failure of the same term or condition, or as a waiver of any other provision of this Agreement.

18. Captions. The captions in this Agreement are for reference only and shall in no way define or interpret any provision hereof.

19. Counterparts. This Agreement may be executed in identical counterpart copies, each of which shall be an original, but all of which taken together shall constitute one and the same agreement.

20. Recording. Owner hereby consents and agrees to the recording by PG&E of this Agreement against the Property. Owner agrees to sign any additional documents reasonably required to complete such recording.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first set forth above.

"PG&E"

"Owner"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____
Hug, Sarah

Gillam, John

Its: Manager,
Hydro Support

Gillam, Linda W.

Administrative Information

Area 6

Redding Land Service Office

Hydro Operating Department

21.27.07.31.32, 21.27.07.31.33

FERC License Number(s) N/A

PG&E Drawing Number(s) N/A

PLAT NO. N/A

LD: N/A

LD of any Cross-referenced documents (if applicable)

TYPE OF INTEREST 11

SBE Parcel Number 135-32-003A-1

(For Quitclaims, % being quitclaimed)

Order # : 3022380

JCN: N/A

County: Shasta

Utility Notice Numbers (if applicable): N/A

851 Approval Application No.: N/A

Prepared By: AECO

Checked By: S2PO

Exhibit "A"
Legal Description

The parcel of land described in the grant deed from Roy Granrud and Elizabeth M. Granrud, Timothy Michael McCoy, Patricia Kathleen McCoy, and Nancy Carolyn McCoy to John J. Gillam and Linda W. Gillam dated May 6, 1999 and filed for record in Book 776 of Deeds at Page 574, Plumas County Records.

Exhibit "B"
Legal Description

The parcel of land described in the grant deed from James W. Goodwin to Oro Electric Corporation (predecessor to Pacific Gas & Electric Company), dated April 17th, 1911 and filed for record in Volume 48 of Deeds at Page 59, Plumas County Records.



T. 27N. R. 06E M.D.M.
SEC 31, SE¼

RED RIVER FOREST PARTNERSHIP
APN 001-390-027

USFS
APN 001-220-000

APN 001-390-000

PG&E
APN 001-220-000

APPROX. LOCATION
OF 2" WATER PIPE
ENCROACHMENT AREA

1200' +/-

BOUNDARY LOCATION
PER .KMZ FILE SUPPLIED BY
ANDREGG ENGINEERING,
AND IMPORTED INTO
GOOGLE EARTH.

HOUSE

APN 001-390-001
776 DEEDS 574

APN 001-390-002
776 DEEDS 574

PG&E PROPERTY
LCP 700

48 DEEDS 59

APPROX. BARN
ENCROACHMENT
AREA

HUMBUG RD.

AUTHORIZATION
2025565

BY
DR: C1R8
CH: BMS2
O.K.
DATE: 03/18/19

EXHIBIT "C"

HUMBUG DONATION
GILLAM BARN ENCROACHMENT

PACIFIC GAS AND ELECTRIC COMPANY
San Francisco California



JCN	
AREA	NORTH VALLEY
COUNTY	PLUMAS
SCALE	NONE
SHEET NO.	1 OF 1
DRAWING NUMBER	CHANGE
SL-1466	

Attachment D

Grant Deed

RECORDING REQUESTED BY AND RETURN
TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177
Attention: Land Consultant(LCC)

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____
 This is a conveyance where the consideration and
Value is less than \$100.00 (R&T Code §11911).
 Computed on Full Value of Property Conveyed,
or
 Computed on Full Value Less Liens
& Encumbrances Remaining at Time of Sale

(SPACE ABOVE FOR RECORDER'S USE ONLY)

Signature of declarant or agent determining tax

LD

DEED

APN(s): None
Address: Vacant Land

GRANT DEED AND RESERVATION OF RIGHTS AND EASEMENTS

I. CONVEYANCE OF FEE

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("**Grantor**"), hereinafter called Grantor, hereby grants, without warranty express or implied, to **MAIDU SUMMIT CONSORTIUM**, a California nonprofit corporation ("**Grantee**"), hereinafter called Grantee, the real property ("**Property**"), situated in the unincorporated area of County of Plumas, State of California, described in Exhibit A attached hereto and made a part hereof.

In connection with such grant, Grantor and Grantee have agreed, for good and valuable consideration, that Grantor shall reserve certain rights and easements as more fully described in Section III below.

II. RECITALS

A. Grantor is a party to that certain Settlement Agreement ("**Settlement Agreement**") as modified and approved by the Public Utilities Commission of the State of California ("**CPUC**") in its Opinion and Order of December 18, 2003 (Decision 03-12-035).

B. In furtherance of the Settlement Agreement, and to provide additional detail regarding the implementation of the "Land Conservation Commitment" (defined below), the parties to the Settlement Agreement and other interested parties entered into that certain

Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (“**Stipulation**”).

C. The Settlement Agreement and the Stipulation (collectively, “**Governing Documents**”) require Grantor to ensure that approximately 140,000 acres of watershed lands, all owned by Grantor (collectively, “**Watershed Lands**”), including the Property, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of Grantor to convey fee interests and/or conservation easements and to protect such beneficial public values on the Watershed Lands, as well as certain other obligations related thereto, are set forth in detail in Appendix E of the Settlement Agreement (as further explicated in Section 12 of the Stipulation), and are defined therein as the “**Land Conservation Commitment**.”

D. Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (“**Stewardship Council**”) was created to oversee and carry out the Land Conservation Commitment. Pursuant to the Governing Documents, the Stewardship Council developed a plan for protection of the Watershed Lands for the benefit of the citizens of California (“**Land Conservation Plan**” or “**LCP**”). The LCP includes, among other things, objectives to preserve and/or enhance the beneficial public values identified on each parcel of Watershed Lands.

E. Grantor has used and continues to use the Property for the purposes of complying with the requirements of the Rock Creek Cresta Settlement Agreement for FERC Project #1962. FERC Project #1962 governs the Grantor’s activities generating and transmitting hydroelectric energy, managing and monitoring the flow of water over the existing waterways for consumptive and non-consumptive uses, conducting various biological and land use studies mandated by the Federal Energy Regulatory Commission (“**FERC**”) and for other purposes as described more fully in Section III below (collectively, “**Hydro Project Activities**”). As used herein, “**Hydroelectric Facilities and associated Water Delivery Facilities**” refers to those existing and future facilities, structures and improvements now or hereafter located on, above, or under the Property, that are associated with the Hydro Project Activities, as described more fully in Section III below.

F. Consistent with the terms of the Governing Documents, Grantor and Grantee acknowledge this conveyance, together with the conservation easement transaction being entered into by Grantee and Feather River Land Trust and California Department of Fish and Wildlife concurrently herewith, is being made in the public interest with the intent to ensure the permanent protection of the beneficial public values on the Property as identified in the LCP and the conservation easement being entered into while allowing the ongoing use of the Property by Grantor for Hydro Project Activities, and acknowledging and honoring any existing third party uses.

III. RESERVATION OF RIGHTS AND EASEMENTS

1. Reserved Rights and Reserved Easements. Grantor expressly reserves the right to engage in or invite or permit others to engage in the activities and uses set forth below

(collectively, the “**Reserved Rights**”) as Grantor may determine, in Grantor's sole discretion exercised in good faith, is required for Grantor’s continued Hydro Project Activities, including the continued operation and maintenance of Hydroelectric Facilities and associated Water Delivery Facilities, together with the easements set forth in this Section III as reasonably necessary or appropriate for the exercise of the Reserved Rights (“**Reserved Easements**”).

Whenever reasonably practical, Grantor will use reasonable efforts to notify and consult with Grantee in advance of the exercise of the Reserved Rights and Reserved Easements, and use reasonable efforts to employ methods and practices that will not significantly impair the beneficial public values of the Property. The Reserved Rights and Reserved Easements are as follows:

(a) Grantor reserves, for its beneficial uses, all riparian water rights inherent in and part and parcel of the Property; all prescriptive surface water rights; and all other right, title and interest of any nature whatsoever in and to the surface waters and the subterranean streams flowing through known and definite channels which are now or hereafter located or flowing upon, under or abutting the Property, including but not limited to all rights to take, divert and appropriate all such waters in accordance with applicable law (collectively, the “**Reserved Water Rights**”). Notwithstanding the previous sentence, Grantee may use reasonable amounts of water on the Property for activities solely intended to preserve and enhance the beneficial public values, including but not limited to meadow restoration and streamcourse habitat improvement, provided such activities are conducted in accordance with applicable law. Such use by Grantee may be conducted without notice to Grantor.

(b) Grantor reserves the right to comply with the requirements of the Rock Creek Cresta Settlement Agreement for FERC Project #1962 including improvements, land alteration, revegetation, and any and all activities necessary to comply with the Rock Creek Cresta Settlement Agreement. In furtherance of and without in any way limiting the generality of the foregoing, the following rights are expressly reserved:

(1) The right to conduct any and all uses and activities now or at any time in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith; and

(2) The right to use, maintain, establish, construct, alter, expand and improve water sources, courses, and bodies within the Property, and to take, divert and appropriate water.

The reservation of rights under this Section III (b) shall terminate upon the Grantor’s satisfactory fulfillment of its obligations related to the Property under the Rock Creek Cresta Settlement Agreement, as evidenced by an amendment of the Rock Creek Cresta Settlement Agreement addressing such obligations.

(c) Grantor reserves the right to conduct any and all uses and activities currently or in the future deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith to comply with any applicable FERC license or other regulatory or legal

requirements, including any amendments thereto and replacements thereof, and with applicable regulations and orders of the FERC or other regulatory agencies; and

(d) Grantor reserves the right to conduct any and all uses and activities now or at any time hereafter deemed necessary or appropriate by Grantor in Grantor's sole discretion exercised in good faith to comply with the Federal Power Act (Title 16 United States Code, Chapter 12) and any successor statute (the "FPA").

(e) Grantor further reserves to itself the following permanent rights and easements with respect to the foregoing Reserved Rights and Reserved Easements:

(1) the right of ingress to and egress over and across the Property by means of the existing road and/or any replacement or relocation thereof by Grantee, otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to Grantee and to use said roads, lanes, or routes to provide access to any of Grantor's easements and facilities on lands adjacent to the Property;

(2) the right to install, maintain and use gates at Grantor's sole expense at all fences which now or shall hereafter cross the Property; and

(3) the right to mark the location of the Reserved Easements areas by suitable markers set in the ground; provided that said markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantee shall make of said easement areas.

2. Required Exercise. An exercise of Grantor's Reserved Rights shall be "required" (as used in the preceding Section III.1) where Grantor determines in its sole discretion exercised in good faith that such exercise is necessary to fulfill requirements or directives of any one or more of the following: (a) the CPUC or the FERC; (b) other local, state or federal governmental entities; (c) any applicable law, ordinance, rule or regulation of any local, state or federal governmental entity; (d) any third party agreement entered into by Grantor in good faith or by which Grantor is bound; or (e) professional engineering and design standards governing the ownership, maintenance, and/or operation of the Hydroelectric Facilities and associated Water Delivery Facilities.

III. TERMS OF GRANT

1. The conveyance by Grantor to Grantee pursuant to this Grant Deed and Reservation of Rights and Easements ("**Grant Deed**") is subject to: (a) a lien securing payment of real estate taxes and assessments; (b) applicable zoning and use laws, ordinances, rules and regulations of any municipality, township, county, state or other governmental agency or authority; (c) all matters that would be disclosed by a physical inspection or survey of the Property or that are actually known to Grantee; and (d) all contracts, leases, licenses, covenants, conditions, easements, restrictions, liens, encumbrances and other exceptions that are recorded or unrecorded.

2. The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the

Property. All future conveyances of the fee interest in the Property shall be consistent with the terms of the Governing Documents. In accordance with Section 12 b (4) of the Stipulation, Grantee and its successors and assigns shall not convey all or any portion of the fee interest in the Property to any governmental entity, public agency or any Native American tribe that may currently have, or come to possess, authority to expand Grantor's obligations under the FPA without the prior written consent of the Grantor, which consent shall be in Grantor's sole discretion exercised in good faith.

IV. MISCELLANEOUS

1. If any provision of this Grant Deed shall be unenforceable or invalid, the same shall not affect the remaining provisions hereof and to this end the provisions hereof are intended to be and shall be severable.

2. The real property hereby conveyed is no longer necessary or useful to Grantor in the performance by it of its duties to the public.

3. The California Public Utilities Commission, in Decision No. _____, has approved transfer of the Property under State of California Public Utilities Code Section 851.

4. This Grant Deed may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5. The Recitals in Section II above are hereby incorporated into this Grant Deed.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, Grantor has duly executed and delivered this Grant Deed and Reservation of Rights and Easements as of _____.

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

Its: _____

Grantee accepts, acknowledges, and agrees to the terms of this Grant Deed.

GRANTEE:

MAIDU SUMMIT CONSORTIUM,
a California nonprofit corporation

By: _____

Print Name: _____

Its: _____

EXHIBIT "A"

PARCEL ONE:

LCP ID #0699

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 35 AND 36 OF TOWNSHIP 27 NORTH, RANGE 6 EAST; SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTION 6 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 2, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 43, PAGE 309 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 6 EAST

THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF NORTHEAST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 35; NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 36;

TOWNSHIP 27 NORTH, RANGE 7 EAST

SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER, ALSO DESIGNATED LOT 4 OF SAID SECTION 31;

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 4 AND 5 OF SAID SECTION 6;

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOTS 1, 2, 3, 4, 5, 6, 7, AND 9, AND NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1; AND LOTS 1 AND 7 OF SAID SECTION 2.

LESS AND EXCEPT PORTIONS OF SAID LOT 9 AND SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006. 5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT PORTIONS OF SAID LOT 4 OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AND SAID LOTS 4 AND 5 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, RECORDED AS VOLUME 7, PAGE 134 OF DEEDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31, SAME AS SOUTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45 ° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE SOUTH 17.5 ° EAST 396 FEET; THENCE SOUTH 47.75 ° WEST 330 FEET; THENCE SOUTH 25 ° WEST 104.94 FEET; THENCE SOUTH 52.25 ° EAST 242.22 FEET; THENCE SOUTH 25.75 ° WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31 AND THE POINT OF BEGINNING.

PARCEL 2:
LCP ID #0700

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTIONS 6, 7 AND 18 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 12 OF TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 7 EAST

THE SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER AND SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 31; AND A PORTION OF THE SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 31, ALSO DESIGNATED AS LOT 4, AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45 ° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE EAST 330 FEET ALONG THE SOUTH LINE OF SAID LOT 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 3, 6, 9 (ALSO DESIGNATED AS SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER), 10, 11 AND 12, AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 6; LOTS 1, 2, 3 AND 4 (LOTS 1 AND 2 ALSO DESIGNATED AS WEST ONE-HALF OF NORTHWEST ONE-QUARTER) AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 7; LOT 1 AND THE EAST ONE-HALF OF NORTHWEST ONE-QUARTER OF SAID SECTION 18; AND PORTIONS OF LOTS 4 AND 5 OF SAID SECTION 6, AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 4; THENCE WEST 330 FEET ALONG THE NORTH LINE OF SAID LOT 4; THENCE SOUTH 17 ° 30' EAST 396 FEET; THENCE SOUTH 47 ° 45' WEST 330 FEET; THENCE SOUTH 25 ° WEST 104.94 FEET; THENCE SOUTH 52 ° 15' EAST 242.22 FEET; THENCE SOUTH 25 ° 45' WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE

SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOT 8, NORTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, AND SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 1, NORTHEAST ONE-QUARTER OF SAID SECTION 12, AND PORTIONS OF LOT 9 AND THE NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006.5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

LESS AND EXCEPT A PORTION OF THE SAID SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 31; THENCE NORTH 70 ° 30' EAST 1601 FEET TO A STAKE AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 31 ° EAST 283.3 FEET TO A STAKE; THENCE NORTH 28 ° 05' EAST 179.3 FEET TO A STAKE; THENCE NORTH 31 ° WEST 283.3 FEET TO A STAKE; THENCE SOUTH 28 ° 05' WEST 179.3 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING:

THE PARCEL OF LAND DESCRIBED IN THE DEED FROM PACIFIC GAS AND ELECTRIC COMPANY TO WINIFRED T. MILLER DATED JANUARY 19, 1922 AND RECORDED IN BOOK 55 OF DEEDS AT PAGE 236, PLUMAS COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE SOUTHWEST CORNER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B. & M, BEARS SOUTH 79 DEGREES 42 MINUTES WEST, 1690 FEET DISTANT, AND RUNNING THENCE NORTH 29 DEGREES 00 MINUTES EAST, 290 FEET; THENCE SOUTH 61 DEGREES 00 MINUTES EAST, 150.2 FEET; THENCE SOUTH 29 DEGREES 00 MINUTES WEST, 290 FEET; THENCE NORTH 61 DEGREES 00 MINUTES WEST, 150.2 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, BEING A PART OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER (SE1/4 OF SW1/4) OF SAID SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B. & M.

PARCEL THREE:

LCP ID #0701

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 5 AND 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

WEST ONE-HALF OF LOT 5 OF SAID SECTION 5 AND LOT 1 AND THE EAST ONE-HALF OF LOT 7 OF SAID SECTION 6.

PARCEL FOUR:

LCP ID #0702

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 1, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 44, PAGE 330 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

THE SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1.

Attachment E

Bill of Sale

BILL OF SALE

THIS BILL OF SALE ("Agreement"), dated for reference purposes only as of _____, 20__, is made by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("Assignor"), and **MAIDU SUMMIT CONSORTIUM**, a California nonprofit corporation ("Assignee").

RECITALS:

A. This Agreement is delivered pursuant to that certain Transaction Agreement ("Transaction Agreement") dated as of _____, 20__, by and between Assignor, as Grantor, Assignee, as Fee Grantee, and STATE OF CALIFORNIA, by and through its Department of Fish and Wildlife ("DFW"), and FEATHER RIVER LAND TRUST, a California nonprofit corporation ("Land Trust" and together with DFW, "Easement Grantees"), relating to that certain real property located in County of Plumas, State of California, and more particularly described in Exhibit A attached hereto and made a part hereof ("Real Property").

B. As of the date of the Transaction Agreement, Assignor also owns certain personal property located on the real property subject to that certain Special Use Permit between Pacific Gas and Electric Company and U.S. Department of Agriculture Forest Service dated March 21, 2014 and associated Annual Operations and Maintenance Plan for use of a portion of the Yellow Creek Campground (the "Permit Property").

C. Unless otherwise specifically provided herein, all provisions of this Agreement shall be effective as of the date ("Effective Date") that the Grant Deed conveying title to the Real Property to Assignee is recorded in the official records of Plumas County.

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby sells, transfers, assigns and conveys to Assignee all of Assignor's right, title and interest, if any, in and to the fixtures, machinery, equipment, supplies and other articles of personal property described in Exhibit B attached hereto and made a part hereof (the "Personal Property") that are attached or appurtenant to, or located at, the Real Property or the Permit Property (including improvements thereon).

2. Acceptance and Assumption. Assignee hereby accepts the foregoing transfer, assignment and conveyance and hereby agrees to assume and discharge, in accordance with the terms thereof, all of the burdens and obligations of Assignor relating to the Personal Property first arising and accruing on and after the Effective Date.

3. No Representation or Warranty. The assignment is made without any covenant, representation or warranty by, or recourse against, Assignor or Assignor's Affiliates (as defined below) of any kind whatsoever.

4. Waiver and Release. Assignee hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Assignor or Assignor's present or future officers, directors, employees, agents, affiliates, members, representatives, stockholders or other principals and representatives, and their respective heirs, successors and assigns (collectively, "Assignor's Affiliates"), and hereby unconditionally and irrevocably fully releases and discharges Assignor and Assignor's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Assignee against Assignor or Assignor's Affiliates, in connection with or arising out of the Personal Property. With respect to the foregoing release, Assignee hereby acknowledges that such release is made with the advice of counsel and with full knowledge and understanding of the consequences and effects of such release. Further, as to unknown and unsuspected claims as of the Effective Date, Assignee hereby acknowledges that such release is made with the full knowledge, understanding and agreement that California Civil Code § 1542 provides as follows, and Assignee hereby agrees that the protection afforded by said Code Section and any similar law of any other state, territory or jurisdiction is specifically waived:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Assignee: MAIDU SUMMIT CONSORTIUM

By: _____

By: _____

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

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Agreement.

ASSIGNOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

Its: _____

ASSIGNEE:

MAIDU SUMMIT CONSORTIUM,
a California nonprofit corporation

By: _____

Print Name: _____

Its: _____

Attachment F

State Board of Equalization Land Appraisal Record

BRLNP705

State Board of Equalization
Board Roll System
Land Subsystem

07/25/18
9:24 AM

Humbug Valley

Page 100

Selected by: Assessee 0135 Pacific Gas & Electric Co.
County 32 PLUMAS

Post List
Roll Year 2018

Map						Market Values									
Asse	Asse	Cnty	Map	Par	Non-Fee Status	Class	TRA	Miles	Index Typ Num	Sht	Esc Ind	R/W	Op Not R/W	Non- Unitary	Total
0135	0135	32	001	01	200 Acres	491	053 - 002		IND 001	7E	N			205,800	205,800
0135	0135	32	001	03	94 Acres	491	053 - 002		IND 001	7E	N			35,081	35,081
0135	0135	32	001	04	550 Acres	091	053 - 002		IND 001	7E	N			549,840	549,840
0135	0135	32	001	05	350 Acres	491	053 - 002		IND 001	7E	N			190,712	190,712
0135	0135	32	001	06	525 Acres	491	053 - 002		IND 001	7E	N			254,456	254,456
0135	0135	32	003A	01	599 Acres	491	053 - 002		IND 001	7E	N			404,371	404,371

Attachment G

**Assignment and Assumption Agreement – Ground
Leases**

ASSIGNMENT AND ASSUMPTION OF LEASES AND OCCUPANCY AGREEMENTS

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND OCCUPANCY AGREEMENTS ("Agreement"), dated for reference purposes only as of _____, 20__, is made by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("Assignor"), and **MAIDU SUMMIT CONSORTIUM**, a California nonprofit corporation ("Assignee").

RECITALS:

A. This Agreement is delivered pursuant to that certain Transaction Agreement ("Transaction Agreement") dated as of _____, 20__, by and among Assignor, as Grantor, Assignee, as Fee Grantee, STATE OF CALIFORNIA, by and through its Department of Fish and Wildlife and FEATHER RIVER LAND TRUST, a California nonprofit corporation, as Easement Grantees, relating to the real property located in the County of Plumas, State of California, as more particularly described in Exhibit A attached hereto and made a part hereof ("Real Property").

B. Unless otherwise specifically provided herein, all provisions of this Agreement shall be effective as of the date ("Effective Date") that the grant deed conveying title to the Real Property to Assignee is recorded in the official records of Plumas County.

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby sells, transfers, assigns and conveys to Assignee all of Assignor's right, title and interest, if any, in and to the leases, licenses and other occupancy agreements, as amended, affecting the Real Property, and all guarantees thereof, set forth on Exhibit B attached hereto and made a part hereof (the "Leases"), to the extent the same are assignable by their respective terms and not revoked, terminated or subject to revocation or termination upon such assignment.

2. Acceptance and Assumption. Assignee hereby accepts the foregoing transfer, assignment and conveyance and hereby agrees to assume and discharge, in accordance with the terms thereof, all of the burdens and obligations of Assignor relating to the Leases first arising and accruing on and after the Effective Date.

3. No Representation or Warranty. The assignment is made without any covenant, representation or warranty by, or recourse against, Assignor or Assignor's Affiliates (as defined below) of any kind whatsoever.

4. Waiver and Release. Assignee hereby unconditionally and irrevocably waives any and all claims and causes of action of any nature whatsoever it may now or hereafter have against Assignor or Assignor's present or future officers, directors, employees, agents, affiliates, members, representatives, stockholders or other principals and representatives, and their respective heirs, successors and assigns

(collectively, "Assignor's Affiliates"), and hereby unconditionally and irrevocably fully releases and discharges Assignor and Assignor's Affiliates from any and all liability whatsoever which may now or hereafter accrue in favor of Assignee against Assignor or Assignor's Affiliates, in connection with or arising out of the Leases. With respect to the foregoing release, Assignee hereby acknowledges that such release is made with the advice of counsel and with full knowledge and understanding of the consequences and effects of such release. Further, as to unknown and unsuspected claims as of the Effective Date, Assignee hereby acknowledges that such release is made with the full knowledge, understanding and agreement that California Civil Code § 1542 provides as follows, and Assignee hereby agrees that the protection afforded by said Code Section and any similar law of any other state, territory or jurisdiction is specifically waived:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Assignee: MAIDU SUMMIT CONSORTIUM,
a California nonprofit corporation

By: _____

Print Name: _____

Its: _____

By: _____

Print Name: _____

Its: _____

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

[Signature page follows]

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Agreement.

ASSIGNOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

Its: _____

ASSIGNEE:

MAIDU SUMMIT CONSORTIUM,
a California nonprofit corporation

By: _____

Print Name: _____

Its: _____

By: _____

Print Name: _____

Its: _____

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

[Follows this Page]

EXHIBIT "A"

PARCEL ONE:

LCP ID #0699

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 35 AND 36 OF TOWNSHIP 27 NORTH, RANGE 6 EAST; SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTION 6 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 2, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 43, PAGE 309 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 6 EAST

THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF NORTHEAST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 35; NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 36;

TOWNSHIP 27 NORTH, RANGE 7 EAST

SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER, ALSO DESIGNATED LOT 4 OF SAID SECTION 31;

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 4 AND 5 OF SAID SECTION 6;

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOTS 1, 2, 3, 4, 5, 6, 7, AND 9, AND NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1; AND LOTS 1 AND 7 OF SAID SECTION 2.

LESS AND EXCEPT PORTIONS OF SAID LOT 9 AND SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006.5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT PORTIONS OF SAID LOT 4 OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AND SAID LOTS 4 AND 5 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, RECORDED AS VOLUME 7, PAGE 134 OF DEEDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31, SAME AS SOUTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45 ° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE SOUTH 17.5 ° EAST 396 FEET; THENCE SOUTH 47.75 ° WEST 330 FEET; THENCE SOUTH 25 ° WEST 104.94 FEET; THENCE SOUTH 52.25 ° EAST 242.22 FEET; THENCE SOUTH 25.75 ° WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31 AND THE POINT OF BEGINNING.

PARCEL 2:
LCP ID #0700

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTIONS 6, 7 AND 18 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 12 OF TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 7 EAST

THE SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER AND SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 31; AND A PORTION OF THE SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 31, ALSO DESIGNATED AS LOT 4, AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45 ° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE EAST 330 FEET ALONG THE SOUTH LINE OF SAID LOT 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 3, 6, 9 (ALSO DESIGNATED AS SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER), 10, 11 AND 12, AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 6; LOTS 1, 2, 3 AND 4 (LOTS 1 AND 2 ALSO DESIGNATED AS WEST ONE-HALF OF NORTHWEST ONE-QUARTER) AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 7; LOT 1 AND THE EAST ONE-HALF OF NORTHWEST ONE-QUARTER OF SAID SECTION 18; AND PORTIONS OF LOTS 4 AND 5 OF SAID SECTION 6, AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 4; THENCE WEST 330 FEET ALONG THE NORTH LINE OF SAID LOT 4; THENCE SOUTH 17 ° 30' EAST 396 FEET; THENCE SOUTH 47 ° 45' WEST 330 FEET; THENCE SOUTH 25 ° WEST 104.94 FEET; THENCE SOUTH 52 ° 15' EAST 242.22 FEET; THENCE SOUTH 25 ° 45' WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE

SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOT 8, NORTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, AND SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 1, NORTHEAST ONE-QUARTER OF SAID SECTION 12, AND PORTIONS OF LOT 9 AND THE NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006.5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

LESS AND EXCEPT A PORTION OF THE SAID SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 31; THENCE NORTH 70 ° 30' EAST 1601 FEET TO A STAKE AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 31 ° EAST 283.3 FEET TO A STAKE; THENCE NORTH 28 ° 05' EAST 179.3 FEET TO A STAKE; THENCE NORTH 31 ° WEST 283.3 FEET TO A STAKE; THENCE SOUTH 28 ° 05' WEST 179.3 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING:

THE PARCEL OF LAND DESCRIBED IN THE DEED FROM PACIFIC GAS AND ELECTRIC COMPANY TO WINIFRED T. MILLER DATED JANUARY 19, 1922 AND RECORDED IN BOOK 55 OF DEEDS AT PAGE 236, PLUMAS COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE SOUTHWEST CORNER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B. & M, BEARS SOUTH 79 DEGREES 42 MINUTES WEST, 1690 FEET DISTANT, AND RUNNING THENCE NORTH 29 DEGREES 00 MINUTES EAST, 290 FEET; THENCE SOUTH 61 DEGREES 00 MINUTES EAST, 150.2 FEET; THENCE SOUTH 29 DEGREES 00 MINUTES WEST, 290 FEET; THENCE NORTH 61 DEGREES 00 MINUTES WEST, 150.2 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, BEING A PART OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER (SE1/4 OF SW1/4) OF SAID SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B. & M.

PARCEL THREE:

LCP ID #0701

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 5 AND 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

WEST ONE-HALF OF LOT 5 OF SAID SECTION 5 AND LOT 1 AND THE EAST ONE-HALF OF LOT 7 OF SAID SECTION 6.

PARCEL FOUR:

LCP ID #0702

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 1, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 44, PAGE 330 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

THE SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1.

EXHIBIT B

LEASES

[Follows this Page]

2127-07-0578

SECOND AMENDMENT TO LEASE

This **SECOND AMENDMENT TO LEASE AGREEMENT** (this "Amendment"), is made and entered into as of January 1, 2014 (the "Effective Date") by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("Landlord"), and **RONALD C. CAMPER** ("Tenant"). Landlord and Tenant are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. The Parties entered into that certain Pacific Gas and Electric Company Ground Lease (Ground Lease), dated July 20, 2006, pursuant to which Landlord granted Tenant permission for the continued use, occupancy and maintenance of a recreational home site on property owned by Landlord located in Plumas County, California (the "Premises"), as more particularly described therein

B. The aforementioned documents (Ground Lease, and Amendment) are collectively the "Existing Lease".

C. The Parties desire to amend the Existing Lease to (i) extend the Term of the Existing Lease for a period of ten (10) years, commencing January 1, 2014 and expiring December 31, 2023, and (ii) otherwise modify the Existing Lease upon the terms and conditions set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Defined Terms; Recitals; Effective Date. Unless otherwise defined herein, all capitalized words and terms used in this Amendment shall have the meanings ascribed to them in the Existing Lease. The Recitals are hereby incorporated by this reference. Unless otherwise specifically provided herein, all provisions of this Amendment shall be effective as of the Effective Date set forth above. The Existing Lease, as amended by this Amendment, is referred to herein as the "Lease".

2. Extension of Term. The Term of the Lease is hereby extended for a period of ten (10) years, commencing January 1, 2014 and expiring December 31, 2023 (the "Extension Term"), unless earlier terminated, pursuant to the terms and conditions of the Lease. All references in the Lease to the "Term" shall mean the term as extended by this Amendment.

3. Rent. During the Extension Term, Tenant shall pay annual Base Rent in the form of a check payable to Landlord, in advance, in the following amounts on or before the first

day of June 2014 and on or before the first day of January of each year thereafter, during the Extension Term:

January 1, 2014 to December 31, 2014, \$1,175.00

January 1, 2015 to December 31, 2015, \$1,175.00

On 1/1/2016, 1/1/2018, 1/1/2020 and 1/1/2022 the annual fee payable thereafter shall be adjusted by the increase, in the Consumers Price Index of the Bureau of Labor Statistics of the U. S. Department of Labor for Pacific Cities and U. S. City Average (1982-84 = 100), all Urban Consumers, San Francisco-Oakland-San Jose ("Index").

The annual fee payable for the period 1/1/2016 through 12/31/2017 shall be \$1,175.00 increased by the percentage of the increase, if any, in the Index for the month of October 2013 as compared with the Index for the month of October 2015.

The annual fee payable for the period 1/1/2018 through 12/31/2019 shall be the preceding annual fee increased by the percentage of the increase, if any, in the Index for the month of October 2015 as compared with the Index for the month of October 2017.

The annual fee payable for the period 1/1/2020 through 12/31/2021 shall be the preceding annual fee increased by the percentage of the increase, if any, in the Index for the month of October 2017 as compared with the Index for the month of October 2019.

The annual fee payable for the period 1/1/2022 through 12/31/2023 shall be the preceding annual fee increased by the percentage of the increase, if any, in the Index for the month of October 2020 as compared with the Index for the month of October 2022.

If the Index is discontinued or revised, its replacement or another Index shall be used in order to obtain substantially the same result as had the Index not been discontinued or revised. **Notwithstanding the foregoing, the fee increases during this Extension Term shall not be more than one hundred six percent (106%) of the annual fee paid during the preceding year, provided that in no event shall the new fee be less than the fee of the preceding year.**

4. As Is Condition of Premises. Tenant acknowledges and agrees that its use of the Premises during the Extension Term is a continuation of Tenant's use under the Lease. Tenant is familiar with the condition of the Premises, and accepts the Premises during the Extension Term in their "as is" condition.

5. Insurance Requirements. Paragraph C (3) shall be stricken from Exhibit C of the Existing Lease and replaced with the following:

"C (3) The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company
Attn. Land Agent
350 Salem Street
Chico, CA 95928

6. Miscellaneous.

(a) Ratification. Except as expressly amended, modified or supplemented by this Amendment, all of the terms, conditions and provisions of the Existing Lease remain in full force and effect and are hereby ratified and confirmed.

(b) Conflicts. To the extent the terms of the Existing Lease and this Amendment are inconsistent, the terms of this Amendment shall control.

(c) Not an Offer. The submission of this Amendment to Tenant for examination or execution does not create an option or constitute an offer to Tenant to amend the Existing Lease, on the terms and conditions contained herein, and this Amendment shall not become effective as an amendment to the Lease unless and until it has been executed and delivered by both Landlord and Tenant. By executing and delivering this Amendment, the person or persons signing on behalf of Tenant represent and warrant that they have requisite authority to bind Tenant.

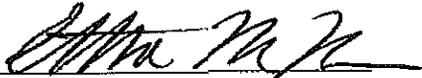
(d) Entire Agreement. This Amendment contains the entire agreement of Landlord and Tenant with respect to the subject matter hereof. It is understood that there are no oral agreements between Landlord and Tenant affecting the Existing Lease as hereby amended, and this Amendment supersedes and cancels any and all previous negotiations, representations, agreements and understandings, if any, between Landlord and Tenant and their respective agents with respect to the subject matter thereof, and none shall be used to interpret or construe the Existing Lease as amended hereby.

(e) Joint and Several Liability. If Tenant shall consist of one or more persons or entities, the obligations of Tenant shall be joint and several, and the act of notice from, or notice to, or the signature of, any one or more of them, with respect to the Lease, including but not limited to, any renewal, extension, expiration, termination or modification of the Lease, shall be binding upon each and all of the persons or entities constituting Tenant, with the same force and effect as if each and all of them had so acted or so given or received such notice or so signed.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed as of the date set forth below each signature, to be effective on the Effective Date first above written.

LANDLORD:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By  Dated 8/20/14
Ettore Minor
Manager, Land Rights and Encroachment Management

TENANT:

Ronald C Camper
Ronald C. Camper

Dated 8/1/2014

Area 6
Chico Land Service Office
Operating Department: Hydro
T. 27 N., R. 7 E., Sec. 31, SE4 of SW4
MDB&M
FERC Lease Number: N/A
PG&E Drawing Number: N/A
LD of any affected documents:
2127-07-0522, 0555
LD of any Cross-referenced documents: N/A
Type of Interest: 11, 11L, 24

SBE Parcel Number: 135-32-003A, Pcl. 1
Order# 10212221
JCN: N/A
County: Plumas
Utility Notice Numbers: N/A
Prepared By: SDPF
Checked By:
Date: 4/30/2014
Revision Number: N/A

FIRST AMENDMENT TO LEASE

This FIRST AMENDMENT TO LEASE AGREEMENT (this "Amendment"), is made and entered into as of 10/12, 2010 (the "Effective Date") by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("Landlord"), and RONALD C. CAMPER, an individual ("Tenant"). Landlord and Tenant are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

- A. The Parties entered into that certain Pacific Gas and Electric Company Ground Lease (the "Existing Lease"), dated July 10, 2006, pursuant to which Landlord granted Tenant permission for the continued use, occupancy and maintenance of a recreational home site on property owned by Landlord located in Plumas County, California (the "Premises"), as more particularly described therein.
- B. The term of the Existing Lease is scheduled to expire on July 31, 2010.
- C. The Parties desire to amend the Existing Lease to (i) extend the Term of the Existing Lease for a period of three (3) years and five (5) months, commencing August 1, 2010 and expiring December 31, 2013, and (ii) otherwise modify the Existing Lease upon the terms and conditions set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Defined Terms; Recitals; Effective Date. Unless otherwise defined herein, all capitalized words and terms used in this Amendment shall have the meanings ascribed to them in the Existing Lease. The Recitals are hereby incorporated by this reference. Unless otherwise specifically provided herein, all provisions of this Amendment shall be effective as of the Effective Date set forth above. The Existing Lease, as amended by this Amendment, is referred to herein as the "Lease".

2. Extension of Term. The Term of the Existing Lease is hereby extended for a period of three (3) years and five (5) months, commencing August 1, 2010 and expiring December 31, 2013 (the "Extension Term"), unless earlier terminated, pursuant to the terms and conditions of the Lease. All references in the Lease to the "Term" shall mean the term as extended by this Amendment. During the Extension Term, Tenant shall pay annual Base Rent in the form of a check payable to Landlord, in advance, in the following amounts on or before the first day of August 2010 and on or before the first day of January of each year thereafter, during the Extension Term:

<u>Period</u>	<u>Annual Base Rent</u>
8/1/2010 through 12/31/2010	\$500.00
1/1/2011 through 12/31/2011	\$1,175.00
1/1/2012 through 12/31/2012	\$1,175.00
1/1/2013 through 12/31/2013	\$1,175.00

3. As Is Condition of Premises. Tenant acknowledges and agrees that its use of the Premises during the Extension Term is a continuation of Tenant's use under the Existing Lease. Tenant is familiar with the condition of the Premises, and accepts the Premises during the Extension Term in their "as is" condition.

4. Conservation Documents.

(a) Landlord and Tenant hereby enter into this Amendment with reference to the following:

(1) Landlord is a party to that certain Settlement Agreement (the "Settlement Agreement") as modified and approved by the CPUC in its Opinion and Order of December 18, 2003 (Decision 03-12-035).

(2) In furtherance of the Settlement Agreement, and to provide additional detail regarding the implementation of the "Land Conservation Commitment" (defined below), the parties to the Settlement Agreement and other interested parties entered into that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (the "Stipulation").

(3) The Settlement Agreement and the Stipulation (collectively, the "Governing Documents") require Landlord to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by Landlord (collectively, the "Watershed Lands"), including the Premises, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of Landlord with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "Land Conservation Commitment."

(4) Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (the "Stewardship Council") was created to oversee and carry out the Land Conservation Commitment. In accordance with the Governing Documents, the Stewardship Council developed and adopted a land conservation plan (the "LCP") for protection of the Watershed Lands for the benefit of the citizens of California. The LCP includes, among other things, objectives to preserve and/or enhance the beneficial public values identified on each parcel of Watershed Lands.

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Premises (the "Disposition Package") in order to carry out the objectives of the LCP with respect to the Premises.

(6) Landlord has agreed that, subject to (1) CPUC approval under California Public Utilities Code Section 851, (2) approval by the FERC for lands subject to its jurisdiction, and (3) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Premises, will be subject to a fee simple donation or donations and/or conservation easement or easements donated by Landlord to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, Landlord may convey fee title to the Premises to one or more public agencies or qualified non-profit conservation organizations (the "Successor Landlord"). In any event, it is anticipated that Landlord (either in connection with the conveyance of fee title or in lieu of such conveyance) or Successor Landlord will grant a conservation easement or easements (the "Conservation Easement") over part or all the Premises to one or more public agencies or qualified non-profit conservation organizations (the "Easement Grantee"). In connection with a conveyance of fee title to Successor Landlord, Landlord shall assign its right, title and interest under the Lease as to the Premises to Successor Landlord, and Successor Landlord shall assume the obligations of Landlord hereunder. All references in the Lease to "Landlord" shall be deemed to include Successor Landlord from and after the date Successor Landlord becomes the owner of fee title to the Premises.

(8) Concurrently with the conveyance of the Conservation Easement (and the conveyance of fee title, if applicable), it is anticipated that the Easement Grantee and Landlord or Successor Landlord will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "Land Management Plan") to preserve and enhance the beneficial public values present at the Premises.

(b) Tenant acknowledges and agrees that, except as expressly set forth above, neither Landlord nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that Landlord and/or Successor Landlord may enter into pursuant to the foregoing (collectively, the "Conservation Documents"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Tenant, the Premises, the rights and obligations of Tenant under the Lease or otherwise.

(c) Landlord shall have the right to require modifications to Tenant's Allowed Use to the extent reasonably necessary to preserve and enhance the beneficial public values present at the Premises in accordance with the Conservation Documents; provided, however, that no such modifications shall have a Material Adverse Impact, as defined below. Tenant acknowledges that, provided such modifications would not have a Material Adverse Impact, such modifications may result in Tenant being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Premises. Landlord shall give Tenant at least

one hundred and eighty (180) days' prior written notice of Landlord's election to modify Tenant's use hereunder.

(d) As used in subparagraph (c) above, the phrase "Material Adverse Impact" shall mean an impact that materially deprives Tenant (or that is reasonably likely to materially deprive Tenant) of any of its material rights and benefits under the Existing Lease, as amended by this Amendment, or that materially increases (or is reasonably likely to materially increase) any of Tenant's obligations under the Existing Lease, as amended by this Amendment, as determined by Landlord in its reasonable discretion, resulting from any restriction or modification to Tenant's Allowed Use of the Premises.

(e) If Landlord shall sell, convey or otherwise transfer fee title to the Premises, and assign the interest in the Lease concerning the Premises or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 5, Landlord shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of Landlord under the Lease, accruing from or after the date of such sale, conveyance or transfer, and Tenant shall look solely to the transferee or transferees for performance of the obligations of Landlord under the Lease. The Lease shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Tenant agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to the Lease. Under no circumstances shall Landlord be liable for any act or omission whatsoever of any Successor Landlord or Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 5. Landlord shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for Landlord's benefit upon any sale, conveyance or transfer of the Premises, or any portion thereof (the "Reserved Easements"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Premises or in connection with property in the vicinity of the Premises, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. The Reserved Easements may be subject to the FERC License. Tenant hereby agrees that the Lease shall be subject to, and subordinate to, the Reserved Easements. Tenant agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 5, and to further document the provisions of the Lease that will continue in effect between Tenant and Landlord, as a third party beneficiary.

(f) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Tenant agrees to execute such documentation as may be reasonably requested by Landlord in order to carry out the terms of this Section 4.

(TENANT TO INITIAL HERE RCC)

5. Insurance Requirements. Paragraph C (3) shall be stricken from Exhibit C of the Existing Lease and replaced with the following:

"C (3) PG&E has contracted with a third party vendor, EXIGIS, which will collect, check and monitor certificates of insurance. For purposes of communications regarding insurance, Tenant's email address is none [NOTE: if Tenant has no email address, insert NONE], and Tenant's insurance broker's or agent's email address is robert@dahlmeier.com [NOTE: if insurance broker/agent has no email address, insert NONE]. PG&E shall contact EXIGIS to provide initial information concerning this Lease, and upon notification from PG&E, Tenant and Tenant's insurance broker or agent will be required to register as "service providers" with EXIGIS. The EXIGIS website is: <https://prod1.exigis.com/pge>, Helpline: 1 (888) 280-0178 and the Certificate Holder shall be: "Pacific Gas and Electric Company, c/o EXIGIS, <https://prod1.exigis.com/pge>". Tenant shall cause its insurance broker or agent to register and provide all required information to EXIGIS within ten (10) business days after such notification. Tenant shall cause Tenant's insurance broker or agent to obtain certificates of insurance and endorsements from Tenant's insurance carrier, which shall be signed and submitted by a person authorized by Tenant's insurance carrier to bind coverage on its behalf. If Tenant's insurance broker or agent cannot provide such information, certificates and/or endorsements through the EXIGIS website, then Tenant's insurance broker or agent will contact EXIGIS directly for an alternative method of providing such insurance information, certificates and/or endorsements. From time to time, upon reasonable prior notice, PG&E shall have the right to change the foregoing procedures."

6. Receipt and Review of Environmental Disclosures. By signing where indicated below, Tenant acknowledges that he or she has received, reviewed, and understands the disclosures and information attached to this First Amendment as Exhibit A, relating to lead, asbestos or other environmental conditions that may exist in or around the Premises leased by Landlord to Tenant. The Exhibit A attachment includes:

1. Lead-Based Paint and Lead Based Paint Hazards Disclosure
2. AMEC Sampling Results
3. Copy of pamphlet; Protect Your Family From Lead in Your Home

7. Miscellaneous.

(a) Ratification. Except as expressly amended, modified or supplemented by this Amendment, all of the terms, conditions and provisions of the Existing Lease remain in full force and effect and are hereby ratified and confirmed.

(b) Conflicts. To the extent the terms of the Existing Lease and this Amendment are inconsistent, the terms of this Amendment shall control.

(c) Not an Offer. The submission of this Amendment to Tenant for examination or execution does not create an option or constitute an offer to Tenant to amend the Existing Lease, on the terms and conditions contained herein, and this Amendment shall not become effective as an amendment to the Lease unless and until it has been executed and delivered by both Landlord and Tenant. By executing and delivering this Amendment, the

person or persons signing on behalf of Tenant represent and warrant that they have requisite authority to bind Tenant.

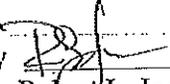
(d) Entire Agreement. This Amendment contains the entire agreement of Landlord and Tenant with respect to the subject matter hereof. It is understood that there are no oral agreements between Landlord and Tenant affecting the Existing Lease as hereby amended, and this Amendment supersedes and cancels any and all previous negotiations, representations, agreements and understandings, if any, between Landlord and Tenant and their respective agents with respect to the subject matter thereof, and none shall be used to interpret or construe the Existing Lease as amended hereby.

(e) Joint and Several Liability. If Tenant shall consist of one or more persons or entities, the obligations of Tenant shall be joint and several, and the act of notice from, or notice to, or the signature of, any one or more of them, with respect to the Lease, including but not limited to, any renewal, extension, expiration, termination or modification of the Lease, shall be binding upon each and all of the persons or entities constituting Tenant, with the same force and effect as if each and all of them had so acted or so given or received such notice or so signed.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed as of the date set forth below each signature, to be effective on the Effective Date first above written.

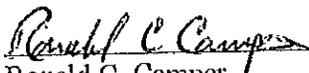
LANDLORD:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By 
Robert L. Jones
Manager, Land Management

Dated 10.25.10

TENANT:


Ronald C. Camper

Dated 10/12/2010

Dated _____

Note: Tenant also to initial Section 4

Area 6

Chico Land Service Office

Operating Department: Hydro

T. 27 N., R. 7 E., MDB&M

Sec. 31 SE4 of SW4

FERC License Number: N/A

PG&E Drawing Number: N/A

LD of any affected documents: 2127-07-0522

LD of any Cross-referenced documents: N/A

Type of Interest: IIL, 24

SBE Parcel Number: 135-32-003A, Parcel 1

(For Quitclaims, % being quitclaimed): N/A

Order# 10212221

JCN: N/A

County: Plumas

Utility Notice Numbers: N/A

Prepared By: JMC

Checked By:

Revision Number: N/A

Exhibit A

1. Lead-Based Paint and Lead Based Paint Hazards Disclosure
 2. AMEC Sampling Results
 3. Copy of pamphlet; Protect Your Family From Lead in Your Home
-

2127-07-0522

PACIFIC GAS AND ELECTRIC COMPANY
GROUND LEASE

This Ground Lease ("Lease") is dated as of July 10, 2006, for reference purposes only, by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("Landlord"), and **RONALD C. CAMPER**, an individual ("Tenant").

RECITALS

- A. Landlord is the owner of certain real property outlined by the heavy dashed line on the map attached hereto as Exhibit A and by this reference made a part hereof located in Plumas County, California, which land together with all easements and rights appurtenant thereto are sometimes collectively hereinafter referred to as the "Property";
- B. PG&E, as Licensor, and Ronald C. Camper, as Licensee, entered into a License Assignment and Consent ("License"), dated November 23, 2004 which granted permission for Licensee, as defined in the License, to occupy, use and maintain a certain existing recreational homesite located on the Property, and Tenant currently occupies the Property pursuant to the License;
- C. Tenant or Tenant's predecessor-in-interest has constructed certain improvements on the Property including a recreational home;
- D. The term of the License expired December 31, 2002, and Tenant has been in holdover with Landlord's consent since such expiration. Under the terms of the License, Landlord has the right to terminate the License at will. The parties now wish to terminate the License upon the Commencement Date, as defined in Section 2.(a), of this Lease; and,
- E. Tenant wishes to lease the portion of the Property which was previously the premises under the Prior Lease, for use as a recreational homesite, and Landlord is willing to lease to Tenant, subject to the terms and conditions set forth below, that portion of the Property.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the parties hereby agree as follows:

1. **SCOPE OF LEASE; USE.**

(a) Lease of Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, on the terms and conditions stated herein, a portion of the Property consisting of approximately one (1) acre of land, as shown outlined by the heavy dashed line on the map attached hereto as Exhibit B and by this reference made a part hereof (the "Premises").

(b) Allowed Use Of Premises. Tenant shall use the Premises solely for a recreational home site, and for no other purpose (the "Allowed Use").

(c) Tenant Improvements. Landlord hereby consents to any and all existing improvements on the Premises as of the Commencement Date of this Lease (the "Tenant Improvements") unless Tenant has otherwise been previously notified in writing by Landlord, subject to any and all removal obligations set forth in this Lease and in the Rules and Regulations as defined in Section 14 below. The Tenant Improvements were constructed by Tenant or Tenant's predecessor-in-interest at their sole expense, and the Tenant Improvements are owned by Tenant and are not to be deemed a part of the real property for purposes of the Premises being leased by Landlord to Tenant.

2. TERM; SURRENDER.

(a) Term. This Lease shall become retroactively effective and the term of this Lease (the "Term") shall commence retroactively on January 1, 2006 (the "Commencement Date"). The Term shall expire on July 31, 2010 (the "Expiration Date"). Upon the Commencement Date, the Lease shall terminate, provided, however, that any waivers of claims or rights and the releases and the obligations of Tenant under the Lease to indemnify, protect, defend and hold harmless Landlord shall survive the expiration or earlier termination of the Lease, and so shall all other obligations or agreements of Landlord or Tenant thereunder which by their terms survive the expiration or earlier termination of the Lease.

(b) Surrender. On or before the expiration or earlier termination of this Lease, Tenant shall, at its sole cost and expense, remove from the Premises all personal property, vehicles, debris and waste material resulting from Tenant's activities or the activities of its contractors or invitees, and restore the Premises as nearly as possible to the condition that existed prior to Tenant's entry upon the Premises. UPON EXPIRATION OR TERMINATION OF THIS LEASE, IF REQUESTED BY LANDLORD, TENANT SHALL REMOVE ANY TENANT IMPROVEMENTS OR ALTERATIONS CONSTRUCTED OR INSTALLED BY TENANT OR TENANT'S PREDECESSOR-IN-INTEREST (WHETHER CONSTRUCTED OR INSTALLED PRIOR TO OR DURING THE TERM OF THIS LEASE) AT TENANT'S SOLE COST AND EXPENSE, INCLUDING, BUT NOT LIMITED TO ANY AND ALL BUILDINGS AND HOMES AND SHALL REPAIR ANY DAMAGE CAUSED BY SUCH REMOVAL. TO THE EXTENT TENANT FAILS TO PERFORM THE OBLIGATIONS UNDER THIS SECTION, LANDLORD MAY, BUT NEED NOT, REMOVE OR DEMOLISH ALL TENANT IMPROVEMENTS AND ALTERATIONS, AND RESTORE THE PREMISES TO SUCH CONDITION AND TENANT SHALL PAY THE COST THEREOF WITHIN SIXTY (60) DAYS OF RECEIPT OF AN INVOICE THEREFOR. (TENANT TO INITIAL HERE RCC)

(c) Holding Over. Tenant shall have no right to holdover possession of the Premises after the expiration or termination of this Lease without Landlord's prior written consent, which Landlord may withhold in its sole and absolute discretion. If Tenant remains in possession of the Premises after the expiration or other termination of the Term of this Lease, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant only, at a monthly rental equal to one-twelfth (1/12th) of the annual Base Rent in effect immediately prior to such holdover. Tenant shall also pay Landlord all of Landlord's direct and consequential damages resulting from Tenant's holdover. Tenant shall defend, protect, indemnify and hold the Landlord harmless from and against any and all Claims resulting from failure to surrender possession upon the Expiration Date or sooner termination of the Term. No acceptance of Rent or other payments by Landlord under this holdover provision shall operate as a waiver of Landlord's right to regain possession or any other of Landlord's remedies.

3. **TERMINATION RIGHTS.**

IN ADDITION TO ANY AND ALL TERMINATION RIGHTS SET FORTH IN THIS LEASE, LANDLORD MAY TERMINATE THIS LEASE IF LANDLORD IN ITS REASONABLE JUDGEMENT FINDS IT NECESSARY TO OBTAIN THE PREMISES IN ORDER TO USE THE PROPERTY FOR UTILITY PURPOSES, UPON ONE HUNDRED AND EIGHTY (180) DAYS WRITTEN NOTICE TO TENANT. SUCH RIGHT WILL ONLY BE EXERCISED IN THE EVENT THAT LANDLORD'S PROPOSED USE FOR UTILITY PURPOSES IS INCONSISTENT WITH TENANT'S CONTINUED OCCUPANCY. IN THE EVENT THAT LANDLORD TERMINATES THIS LEASE PURSUANT TO THIS SECTION, TENANT SHALL BE ENTITLED TO A REFUND OF ANY RENT ALLOCABLE TO THE PERIOD AFTER THE DATE THAT TENANT VACATES THE PROPERTY. TENANT WAIVES ANY RELOCATION ASSISTANCE PURSUANT TO SECTION 7260 ET SEQ. OF THE GOVERNMENT CODE OR THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT, 42 U.S.C. §§ 4601 ET SEQ., OR UNDER ANY SIMILAR LAW, STATUTE OR ORDINANCE NOW OR HEREAFTER IN EFFECT. TENANT SHALL DELIVER POSSESSION OF THE PREMISES NO LATER THAN UPON ONE HUNDRED AND EIGHTY (180) DAYS FROM NOTICE IN THE CONDITION REQUIRED BY SECTION 2(b) OF THIS LEASE. (TENANT TO INITIAL HERE RCC)

4. **ALTERATIONS; TENANT IMPROVEMENT PLAN.**

(a) Tenant shall make no changes, additions, improvements or alterations to the Premises or any part thereof ("Alterations"), including, but not limited to, the remodeling, expansion or rebuilding of a recreational home, or any installation or addition to any septic system, without in each instance submitting plans and specifications to Landlord and obtaining Landlord's prior written consent to such Alterations, which consent may be withheld at the Landlord's sole and absolute discretion. Any such approved Alterations shall be made by Tenant in a good and workmanlike manner, in compliance with the Rules and Regulations as set forth in Section 14, at Tenant's sole cost and expense. Prior to the commencing construction of any Alterations, Tenant shall submit to the Landlord, for Landlord's approval in Landlord's absolute and sole discretion, a plan for any Alterations ("Tenant Improvement Plan") which shall include the construction plans and specifications. Any amendments to the Tenant Improvement Plan shall be subject to the Landlord's review and approval, which approval shall be at Landlord's sole and absolute discretion. The Landlord's review and approval of the Tenant Improvement Plan and any amendments thereto shall not create any liability of any kind on the part of the Landlord, or constitute a representation on the part of the Landlord or any person consulted by the Landlord in connection with such review and approval regarding such documents.

(b) Tenant shall have the right to process all applications, documents and other instruments or entitlements necessary or appropriate for the use of the Premises for the Allowed Use or for any Alterations to be constructed pursuant to the Tenant Improvement Plan. The Landlord shall reasonably cooperate with the processing of such items provided that the Landlord shall not be required to expend any sums, nor assume any liability, nor agree to any invasive testing, with respect thereto. Tenant shall proceed with such processing and the construction of the Alterations in a diligent manner at its sole cost and expense in accordance with the terms of this Lease, the Tenant Improvement Plan and in compliance with all Applicable Laws, as defined in Section 9.2 below.

5. **RENT.**

(a) Base Rent. Upon the execution and delivery of this Lease by Tenant, and on each anniversary of the Commencement Date during the Term of this Lease, Tenant shall pay to

the Landlord, at the address set forth below or at such other place as the Landlord shall designate in writing, annual base rent as set forth below (the "Base Rent"), without deduction, offset or abatement. Base Rent and all sums of money required to be paid by Tenant to the Landlord under this Lease shall be considered rent ("Rent").

January 1, 2006 through December 31, 2006	\$1,175.00
January 1, 2007 through December 31, 2007	\$1,175.00
January 1, 2008 through December 31, 2008	\$1,175.00
January 1, 2009 through December 31, 2009	\$1,175.00
January 1, 2010 through July 31, 2010	\$685.00

(b) Landlord's address for payment of Rent is as follows:

Pacific Gas and Electric Company
Attn. Land Agent
350 Salem Street
Chico, CA 95928

(c) Expenses. Tenant shall pay directly all expenses for insurance, repair, maintenance and operation of the Premises and all other obligations of every kind and nature whatsoever relating to the use and operation of the Premises arising or becoming due during or with respect to the Term of this Lease.

(d) Late Fee. In addition to all other rights and remedies provided the Landlord, if Tenant fails to pay any installment of Rent or other charge to be paid by Tenant pursuant to this Lease within thirty (30) days after the same becomes due and payable, then Tenant shall pay a late charge of ten percent (10%) of the amount of such payment.

6. USE OF ELECTRICITY AND GAS.

During the Term, Tenant shall pay or cause to be paid prior to delinquency all charges for light, power, water, gas, heat, sewer, telephone and all other public or private utility services at any time rendered to or in connection with the Premises, or any part thereof, and shall comply with all contracts relating to such services. The procurement, construction and installation of any and all utilities necessary for Tenant's Allowed Use of the Premises shall be solely at Tenant's expense, and Landlord shall have no responsibility to obtain or continue any utility service to the Premises. Any such additional utility installation must be approved by Landlord as part of the Tenant Improvement Plans.

7. DEFAULT; TERMINATION.

7.1 Events of Default - Tenant.

(a) The occurrence of any one or more of the following events during the Term (each, individually, an "Event of Default" and collectively, "Events of Default") shall constitute a breach of this Lease by Tenant, in which event the Landlord may exercise the rights set forth in this Lease or as otherwise provided at law or in equity: (i) Tenant shall fail to pay any Base Rent or any other amount payable by Tenant under this Lease, or default in the performance of or compliance with any of

the other covenants, agreements, terms or conditions of this Lease to be performed or observed by Tenant, after thirty (30) days written notice from the Landlord specifying such failure; or (ii) Tenant assigns, encumbers, Leases or sublets Tenant's interest in this Lease or the Tenant Improvements or Alterations in violation of Section 18, which will be deemed to be an incurable breach.

(b) Tenant acknowledges and agrees that the notices required to be given by the Landlord shall, in each case, be in lieu of, and not in addition to, any notice required under Section 1161 of the California Code of Civil Procedure, and shall be deemed to satisfy the requirement, if any, that notice be given pursuant to such section.

7.2 Termination of this Lease by the Landlord. Upon the occurrence of any Event of Default, the Landlord shall have the option to pursue any one or more of the following remedies without further notice or demand whatsoever:

(a) In any notice given pursuant to Section 7.1(a) above, the Landlord in its sole discretion may elect to declare a forfeiture of this Lease, and provided that the Landlord's notice states such an election, Tenant's right to possession shall terminate and this Lease shall terminate, unless on or before the date specified in such notice all arrears of Rent and all other sums payable by Tenant under this Lease, and all costs and expenses incurred by or on behalf of the Landlord hereunder, including attorneys' fees incurred in connection with such defaults, shall have been paid by Tenant and all other breaches of this Lease by Tenant at the time existing shall have been fully remedied to the satisfaction of the Landlord. Upon such termination, the Landlord shall have the right to recover from Tenant damages in the amounts set forth in Civil Code Section 1951.2, including, without limitation, the worth at the time of award of the amount by which all unpaid Rent for the balance of the Term of this Lease after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided.

(b) Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as the Landlord does not terminate Tenant's right to possession, and the Landlord shall have the right to enforce all its rights and remedies under this Lease, including the remedies described in California Civil Code Section 1951.4.

7.3 Cumulative Remedies. All of the remedies afforded to Tenant and the Landlord under this Lease shall be in addition to all other remedies such parties may have at law or in equity. Waiver by Tenant or the Landlord of any breach of any obligation by the other party hereunder shall be effective only if it is in writing, and shall not be deemed a waiver of any other breach, or any subsequent breach of the same obligation. The Landlord's acceptance of payment by Tenant shall not constitute a waiver of any breach by Tenant, and if the acceptance occurs after the Landlord's notice to Tenant, or termination of the Lease or of Tenant's right to possession, the acceptance shall not affect such notice or termination. Acceptance of payment by the Landlord after commencement of a legal proceeding or final judgment shall not affect such proceeding or judgment.

8. CONDITION OF THE PROPERTY.

Tenant agrees that no representations or warranties by or on behalf of the Landlord have been made to Tenant as to the condition or legal compliance of the Property, including, without limitation, the Premises, including, but not limited to, the environmental condition of the Property or the existence of Hazardous Materials (as defined in Section 11.4 below) in, on or underneath the Property or compliance with any and all subdivision laws. Tenant acknowledges that there may be a presence of Hazardous Materials, fuel or chemical storage tanks, electric and magnetic fields or other substances, material,

products or conditions on or under the Property, hereinafter referred to as "potential environmental hazards." Tenant has been in possession of the Premises under the Lease and accepts the Premises in the condition existing as of the Commencement Date of this Lease, "as is", but is strongly advised by the Landlord to consider, if it has not already done so, the condition and suitability of all aspects of the Premises and all matters affecting its suitability for the Allowed Use, including, but not limited to, the potential environmental hazards listed herein; provided that Tenant shall not conduct any invasive testing on the Premises without the Landlord's prior written consent, which Landlord may withhold in Landlord's sole and absolute discretion.

9. TENANT'S CONDUCT ON PREMISES.

9.1 Tenant's Sole Risk. Tenant shall use the Premises at its sole risk and expense. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage and securing the safety of all persons using the Premises.

9.2 Compliance with Laws. Tenant shall comply with all local, state, and federal laws, regulations, rules and orders which pertain or are applicable to the condition of the Premises or the use, occupancy or activities of Tenant hereunder ("Applicable Laws"). Tenant shall not allow any disorderly conduct, accumulated debris, waste or nuisance on the Property, including, without limitation, the Premises. Under no circumstances shall Tenant or Tenant's contractors or invitees generate, store, use, release, discharge or dispose of any Hazardous Materials, as defined in Section 11.4 below, on, under or about the Property. Landlord shall have the right to enter the Premises at any time to inspect the Premises to determine Tenant's compliance with Applicable Laws and the terms and conditions of this Lease. Tenant's use of the Premises shall also be governed by any applicable Federal Energy Regulator Commission ("FERC") orders or directives and any applicable terms and conditions of the FERC Lease for Project No. 803, including, without limitation, the requirement that Tenant's use be compatible with overall project recreational use.

9.3 No Interference. Tenant shall not in any way interfere or permit any interference with the Landlord's use of its Property. Interference shall include, but not be limited to, any activity by Tenant that is inconsistent with Landlord's FERC Lease obligations, places any of the Landlord's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112E (Gas), or 128 (Underground Electric) of the California Public Utilities Commission ("CPUC") or any other applicable provisions of the laws and regulations of the State of California or other governmental agencies (whether federal or state) under which the operations of utility facilities are controlled or regulated. Tenant shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of the Landlord's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety, which minimum clearances are incorporated herein by reference, but in no event closer than ten (10) feet to any energized electric conductors or appliances. Tenant shall not drill, bore, or excavate without the prior written consent of Landlord, which consent may be withheld at Landlord's sole and absolute discretion.

9.4 Water Use. Tenant may develop and use water for Tenant's domestic use only from the following sources: (i) such existing springs or wells located on the Premises, (ii) such other water source approved in writing by Landlord, which permission shall be at Landlord's sole and absolute discretion, or (iii) such sources as may be authorized in the Rules and Regulations, as defined below in Section 14. Landlord makes no representation or warranty in regard to the quality or the quantity of water, and Tenant uses such water at Tenant's own risk. Tenant also waives and releases Landlord from

any and all liability for damage to Tenant's water supply which may occur while performing work in conjunction with Landlord's business.

9.5 Sewage Facilities. Tenant shall dispose of all sewage according to Applicable Laws and by one of the following methods: (i) by use of such existing septic systems or holding tanks currently located on the Premises, (ii) by such other manner as approved in writing by Landlord, which permission shall be at Landlord's sole and absolute discretion, or (iii) by such manner as may be authorized in the Rules and Regulations, as defined below in Section 14. Landlord reserves the right to require Tenant to alter the method of sewage disposal at Tenant's sole cost, when necessary in connection with Landlord's operations or to protect the Property, the environment, or human health and safety. Landlord makes no representation as to the continued ability to dispose of sewage at the Premises, or the cost thereof, and Tenant also waives and releases Landlord from all liability for all claims and expenses that Tenant may incur in regard to disposal of sewage.

10. **PERMITS, AUTHORIZATIONS AND NOTIFICATIONS; REIMBURSEMENT BY TENANT FOR GOVERNMENT-MANDATED IMPROVEMENTS.**

10.1 Governmental Approvals and Notifications. Tenant shall obtain and maintain, at no cost to the Landlord, all permits, approvals and authorizations from all local, state, and federal governmental or permitting authorities and shall provide all notifications to all such authorities as required for Tenant's Allowed Use or the Tenant Improvements.

10.2 Land Use Entitlements. Prior to submission to the Planning Department or any other governmental entity or agency, Tenant shall submit all applications to Landlord for Landlord's review and written consent, which consent may be withheld at Landlord's sole and absolute discretion. Thereafter, Tenant shall also obtain Landlord's written consent, which consent may be withheld at Landlord's sole and absolute discretion, to any conditions imposed by any governmental entity related thereto.

10.3 Reimbursement. In the event that any local, state or federal governmental entity, agency or regulatory authority requires Landlord to construct or install certain improvements in connection with the use of the Property for residential purposes, including, but not limited to, roads, grading, erosion control, sewage systems, landscaping, utilities or street lights, either to comply with Applicable Laws or as a condition to the issuance of any land use entitlements, permits, approvals or authorizations in relation to the Property, Tenant shall reimburse Landlord for the reasonable costs of such improvements, or for assessments related thereto, in an amount reasonably determined by Landlord by equitably allocating the costs between the lots benefited by such improvements or among all the lots if the improvements benefit the Property as a whole. Tenant shall pay such reimbursement to Landlord within thirty (30) days of receipt of an invoice therefor.

11. **INDEMNIFICATION; WAIVER AND RELEASE.**

11.1 Indemnification Generally. Tenant shall, to the maximum extent permitted by law, protect, indemnify, hold harmless and defend the Landlord, its affiliates, subsidiaries, parent company, officers, managers, directors, agents, and employees (the Landlord and such other parties are, collectively, the "Indemnitees"), from and against all claims, demands, losses, damages, costs, expenses (including reasonable attorneys' and consultants' fees and expenses) and liability (legal, contractual or otherwise) (collectively, "Claims"), which arise from or are in any way connected with any (a) injury to or death of persons, including, but not limited to, employees of the Landlord or Tenant; (b) injury to property or other interests of the Landlord, Tenant, or any third party; (c) violation of Applicable Laws,

including, but not limited to, Environmental Laws (as defined in Section 11.4 below); and (d) strict liability imposed by any law or regulation; so long as such Claims arise from or are in any way connected with Tenant's use of the Property, including, without limitation, the Premises, or its performance of, or failure to perform, this Lease, excepting only Claims to the extent arising from the gross negligence or willful misconduct of the Landlord, its officers, managers, employees or agents. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

11.2 Environmental Claims. Tenant acknowledges that any Claims that are caused by or arise from the presence, movement, use, release, emission, discharge, or spill of any Hazardous Materials, as defined below in Section 11.4, and that are caused by or arise from Tenant's use or occupancy of the Property, including, without limitation, the exacerbation by Tenant of environmental conditions on the Property as of the Commencement Date, are expressly within the scope of the foregoing indemnity. Likewise, the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from strict liability or the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs incurred as a result of such presence, movement, use, releases or spills are expressly within the scope of the foregoing indemnity.

11.3 Defense Requirements. Tenant shall, at the Landlord's request, defend, with counsel approved in writing by the Landlord, any action, claim, or suit asserting a claim which is covered by any indemnity provided for in this Lease. Tenant shall pay all costs and expenses that may be incurred by the Landlord in enforcing such indemnity, including reasonable attorney's fees of both in-house and outside counsel.

11.4 Definition of Hazardous Materials. For purposes of this Lease, the term "Hazardous Materials" means (a) petroleum or petroleum products, natural or synthetic gas, asbestos in any form, urea formaldehyde foam insulation, radon gas, polychlorinated biphenyls (PCB), special nuclear or byproduct material, lead based paint and other lead contamination; (b) any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials (collectively, "Environmental Laws"); and (c) any other substance the exposure of which is regulated by any governmental authority.

11.5 Tenant's Waiver and Release. The Landlord shall not be liable to Tenant for, and Tenant hereby waives and releases the Landlord and its affiliates and officers from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage or loss to Tenant, resulting from or attributable to an occurrence on, the condition of, or the use or occupancy of the Property, including, without limitation, the Premises, except to the extent that such injury, damage, or loss was proximately caused by the Landlord's gross negligence or willful misconduct and except as otherwise expressly provided in this Lease.

12. **INSURANCE.**

Tenant shall maintain in effect during the Term of this Lease insurance as set forth on Exhibit C attached hereto and incorporated herein. Such policies shall be in a form approved by Landlord and shall contain enforceable waiver of subrogation endorsements, if applicable, as requested by Landlord.

13. TAXES.

Landlord shall pay all real property taxes due and payable with respect to the Premises, and Tenant shall not be responsible for the separate reimbursement in addition to Base Rent of Landlord's expenses for payment of such real estate taxes, except as set forth in this Section 13. Tenant shall pay directly to the taxing authority any tax, assessment, lien, Lease fee, Lease tax, tax or excise on rent, or any other levy, charge or expense, together with any statutory interest thereon, imposed or required at any time by any federal, state, county or municipal authority having jurisdiction, or any political subdivision thereof, on any of Tenant's personal property, Tenant Improvements, Alterations, buildings or improvements installed on the Premises ("Taxes"). If Landlord is assessed for such Taxes as part of Landlord's real property tax bill or otherwise, Landlord shall have the right, but not the obligation, to pay such Taxes, and in that event, Tenant shall reimburse Landlord for the portion of such expense attributable to Tenant's personal property, Tenant Improvements, Alterations, buildings or improvements within thirty (30) days of receipt of an invoice therefor. Such reimbursement shall be considered Rent for purposes of this Lease.

14. MAINTENANCE; ACCESS.

Throughout the Term, Tenant shall maintain the Premises, the Tenant Improvements and all Alterations in good and clean repair and condition, and Tenant shall promptly remove all rubbish and waste from the Premises. Tenant shall comply with all rules and regulations promulgated by Landlord, as such rules and regulations may be changed from time to time, regarding the use, maintenance and occupancy of the Premises or the Property ("Rules and Regulations"). A copy of the current Rules and Regulations are attached hereto as Exhibit D and by this reference made a part hereof. Landlord has no obligation to maintain any portion of the Property or any improvements of any kind or nature whatsoever, including, but not limited to any and all roads, and Landlord reserves the right to close any and all roads on the Property at any time when necessary for Landlord's operations or to protect the roads, the environment, or human health and safety, at Landlord's sole and absolute discretion, despite the fact that such closure may prevent Tenant from accessing or departing the Premises. Furthermore, Landlord has no responsibility whatsoever to assure that there are roads available for ingress or egress to the Premises, and Landlord shall not be responsible for clearing roads on the Property of snow, fallen trees or debris or maintaining the surface of any roads that may provide ingress and egress to the Premises. Subject to the limitations set forth above in this Section 14, Tenant is hereby granted permission by Landlord to use the existing roads on the Property for the sole purpose of ingress and egress to the Premises, in "as is" condition, weather permitting, at Tenant's sole risk.

15. APPLICABLE LAW.

This Lease shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

16. LIENS.

In the event that any liens or stop notices are filed or placed on the Property as a result of or in connection with the furnishing of materials or services by anyone to Tenant, or otherwise in connection with this Lease granted hereunder or the use of the Premises by Tenant, Tenant shall immediately take all action necessary to obtain the release of all such liens and stop notices, hold the Landlord harmless from and pay the Landlord for all costs incurred and amounts paid to obtain any such release.

17. NOTICES.

All notices to be given under this Lease shall be in writing and either: (a) sent by personal delivery in which case notice shall be deemed delivered upon actual receipt, or (b) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered upon actual receipt or (c) sent by a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with this courier, or (d) sent by telecopy or similar means, if a copy of the notice is also sent by United States Certified Mail, in which case notice shall be deemed delivered upon receipt of the notice sent by United States Certified Mail, as follows:

Landlord: Pacific Gas and Electric Company
Land Agent
350 Salem Street
Chico, CA 95928
Phone No: (530) 896-4256
Fax Number: (530) 896-4254

With copy to:

(If by certified mail and/or telecopy)

Wendy T. Coleman, Esq.
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Phone No. (415) 973-6067
Fax Number: (415) 973-0516

(If by personal delivery or overnight courier)

Wendy T. Coleman, Esq.
Pacific Gas and Electric Company
77 Beale Street, Mail Code B30A
San Francisco, CA 94105

Tenant: Ronald C. Camper
P. O. Box 5339
Chico, CA 95927
Phone No: (530) 228-4531

These addresses may be changed by written notice to the other party provided that no notice of a change of address shall be effective until actual receipt by the parties of the notice.

18. ASSIGNMENT AND SUBLETTING.

Tenant is prohibited from granting or allowing any lien or encumbrance, by operation of law or otherwise, upon any part of Tenant's interest in this Lease. Any attempt to grant such lien or encumbrance shall be void. Tenant shall not, without the prior consent of Landlord in each case, which consent shall not be unreasonably withheld, make or allow any assignment,

subletting, license or transfer, by operation of law or otherwise, of any part of Tenant's interest in this Lease or of the Tenant Improvements. It shall be reasonable for Landlord to withhold its consent to (i) any assignment of this Lease that is not associated with a sale of the Tenant Improvements, or (ii) any assignment, subletting, license or transfer of this Lease that requires CPUC approval, as determined by Landlord in Landlord's sole and absolute discretion. Tenant shall remain primarily liable for all of its obligations under this Lease, notwithstanding any assignment, sublease, license or transfer. No consent granted by Landlord shall be deemed to be a consent to any subsequent assignment, sublease, license or transfer. Tenant shall pay all of Landlord's attorneys' fees and other expenses incurred in connection with any consent requested by Tenant or in reviewing any proposed assignment, subletting, license or transfer. Any assignment, subletting, license or transfer without Landlord's prior written consent shall be void.

19. CONDEMNATION.

19.1 Condemnation of the Premises. In the event of a condemnation of any part of the Premises, this Lease shall terminate as to the part so taken without any reduction in Base Rent. In the event of a condemnation of all of the Premises, this Lease shall automatically terminate.

19.2 Condemnation Award. Landlord shall be entitled to, and Tenant hereby waives and releases any claim for, any and all compensation, damages, income, rent, awards, or any interest therein whatsoever which may be paid or made in connection therewith, except that Tenant may receive any and all proceeds related to the Tenant Improvements or Alterations installed by Tenant.

20. DAMAGE OR DESTRUCTION; FLOODING.

If the Premises, the Tenant Improvements, or any portion thereof, are damaged or destroyed by the elements, fire or other casualty, this Lease shall not terminate and neither the Landlord nor Tenant shall be obligated to repair, restore, or rebuild all or any portion of the Premises, or any Tenant Improvements so damaged or destroyed. Tenant, however, may, subject to the Landlord's approval of its proposed restoration plan, which approval shall not be unreasonably withheld, elect to repair, restore or rebuild all or any portion of the Premises so damaged or destroyed. Tenant hereby indemnifies Landlord for any claim made by any third party who may have stored personal property at the Premises. The construction of the Tenant Improvements, any Alterations, and any and all other improvements and the storage of personal property on the Premises is at Tenant's sole risk with full knowledge of the possibility of damage or destruction due to natural causes or due to the periodic fluctuation of the water level of the North Fork of the Feather River by Landlord.

21. EXCULPATION.

Notwithstanding anything to the contrary provided in this Lease, neither the Landlord nor any of the other Indemnitees, nor their successors, assigns, agents, or any mortgagee in possession shall have any personal liability with respect to any provisions of this Lease and, if the Landlord is in breach or default with respect to its obligations or otherwise, the Landlord's liability shall be limited to the value of the Landlord's interest in the Premises for the satisfaction of Tenant's remedies.

22. CPUC APPROVAL.

This Lease and Tenant's use of the Premises is made subject to all the provisions of such CPUC Approval, as more particularly set forth in CPUC Decision D-04-07-021 (Application No. A-03-05-012), in like manner as though said provisions were set forth in full herein.

23. VENUE.

Landlord and Tenant agree that the venue of any action, proceeding or counterclaim brought by either party against the other on any matter whatsoever arising out of or in any way connected with this Lease, including any claim of injury or damage, shall be in the County of San Francisco, California. The covenants of the parties contained in this section shall survive the expiration or termination of this Lease.

24. ATTORNEYS' FEE CLAUSE.

If either party files any action or brings any proceeding against the other arising from or related to this Lease, the prevailing party shall be entitled to recover from the other party as an element of its costs of suit and not as damages, reasonable attorneys' fees (of both in-house and outside counsel), costs and expenses incurred in the action or proceeding, including any appeal thereof. For purposes hereof, the reasonable fees of Landlord's in-house attorneys who perform services in connection with any such action or proceeding are recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter of the law, in law firms in the City and County of San Francisco with approximately the same number of attorneys as are employed by Landlord's law department.

25. EXECUTION.

The parties and the individuals executing this Lease on behalf of the parties, each represent, by executing this Lease, that he or she is duly authorized to do so and to bind the respective party to its terms.

26. BROKERS.

Tenant represents to Landlord that Tenant has not dealt with any real estate broker with respect to this Lease, and no broker is in any way entitled to any broker's fee or other payment in connection with this Lease. Tenant shall indemnify and defend Landlord against any Claims by any broker or third party for any payment of any kind in connection with this Lease.

27. ENTIRE LEASE.

This Lease, together with any written modifications or amendments to this Lease hereafter entered into, shall constitute the entire agreement between the parties relative to the subject matter hereof, and shall supersede any prior Lease or understanding, if any, whether written or oral, which Tenant may have had relating to the subject matter hereof with the Landlord.

28. ESTOPPEL CERTIFICATES.

Within ten (10) days after receipt of a request therefor, Tenant shall deliver to Landlord a written statement acknowledging the Commencement Date and the Expiration Date of this Lease, that this Lease is in full force and effect (if the same be true), that this Lease has not been modified (or if it has, stating such modifications), and providing any other pertinent information as to which the requesting party might reasonably inquire.

29. SUBORDINATION.

This Lease shall be subordinate to any present or future ground lease or mortgage respecting the Property, and any amendments to such ground lease or mortgage, at the election of the ground lessor or mortgagee as the case may be, effected by notice to Tenant in the manner provided in this Lease. The subordination shall be effective upon such notice, but at the request of Landlord or ground lessor or mortgagee, Tenant shall within ten (10) days of the request, execute and deliver to the requesting party any reasonable documents provided to evidence the subordination. Any mortgagee has the right, at its sole option, to subordinate its mortgage to the terms of this Lease, without notice to, nor the consent of, Tenant.

30. MISCELLANEOUS.

Time is of the essence with respect to each and every provision of this Lease. If any provision of this Lease is determined to be invalid, illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable. This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The waivers of claims or rights, the releases and the obligations of Tenant under this Lease to indemnify, protect, defend and hold harmless Landlord shall survive the expiration or earlier termination of this Lease, and so shall all other obligations or agreements of Landlord or Tenant hereunder which by their terms survive the expiration or earlier termination of this Lease. Subject to the limits on Tenant's assignment contained in this Lease, the provisions of this Lease shall be binding upon and inure to the benefit of all successors and assigns of Landlord and Tenant. Tenant has had the opportunity to review the provisions of this Lease and to be represented in regard thereto by counsel of Tenant's choosing. So long as Tenant shall perform all of its obligations under this Lease, Tenant shall enjoy peaceful and quiet possession of the Premises against any party claiming through the Landlord, subject to all of the terms of this Lease.

31. EXHIBITS.

The following Exhibits attached to this Lease are incorporated herein by this reference:

Exhibit A	Map of the Property
Exhibit B	Map of the Premises
Exhibit C	Insurance Requirements
Exhibit D	Rules and Regulations

(No further text on this page)

The parties have read this Lease, understand it and agree to be bound by its terms.

"Landlord"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

Dated: 8/29, 2006

By: Karen D. Cochran
Karen D. Cochran,
Manager, Corporate Real Estate

"Tenant"

Dated: 10 Aug., 2006

By: Ronald C. Camper
Ronald C. Camper

Note: Tenant also to initial Sections 2(b) and 3

Area 6
Chico Land Service Office
Operating Department: Hydro
T. 27 N., R. 7 E., Sec. 31, SE4 of SW4
MDB&M
FERC Lease Number: 803
PG&E Drawing Number: N/A
LD of any affected documents:
2127-07-0505
LD of any Cross-referenced documents: N/A
Type of Interest: 11L, 24

SBE Parcel Number: 135-32-003A, Pcl. 1
Order# 10212221
JCN: N/A
County: Plumas
Utility Notice Numbers: N/A
Prepared By: JMC
Checked By:
Date: 7/19/2006
Revision Number: N/A

EXHIBIT A
MAP OF PROPERTY

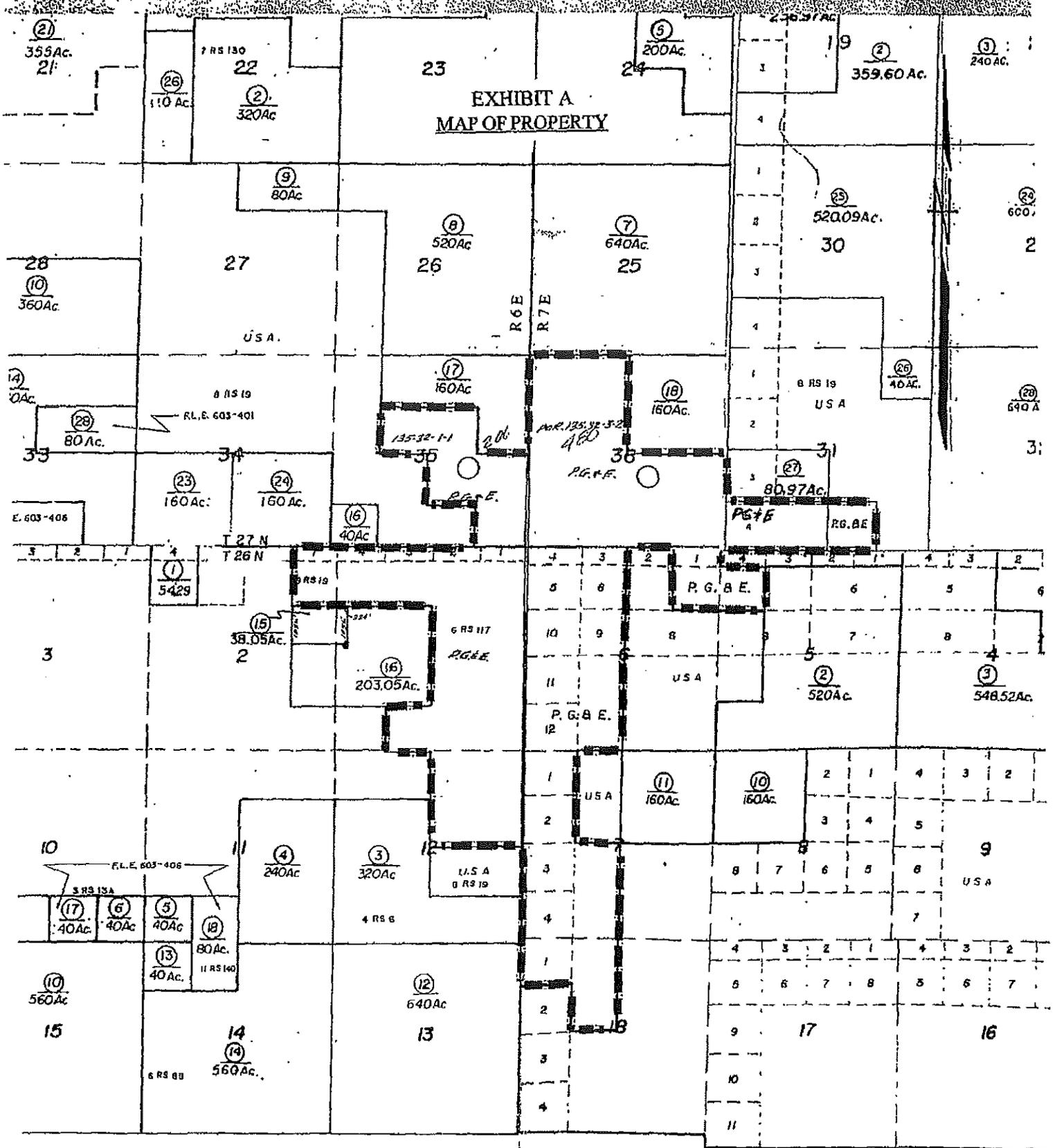
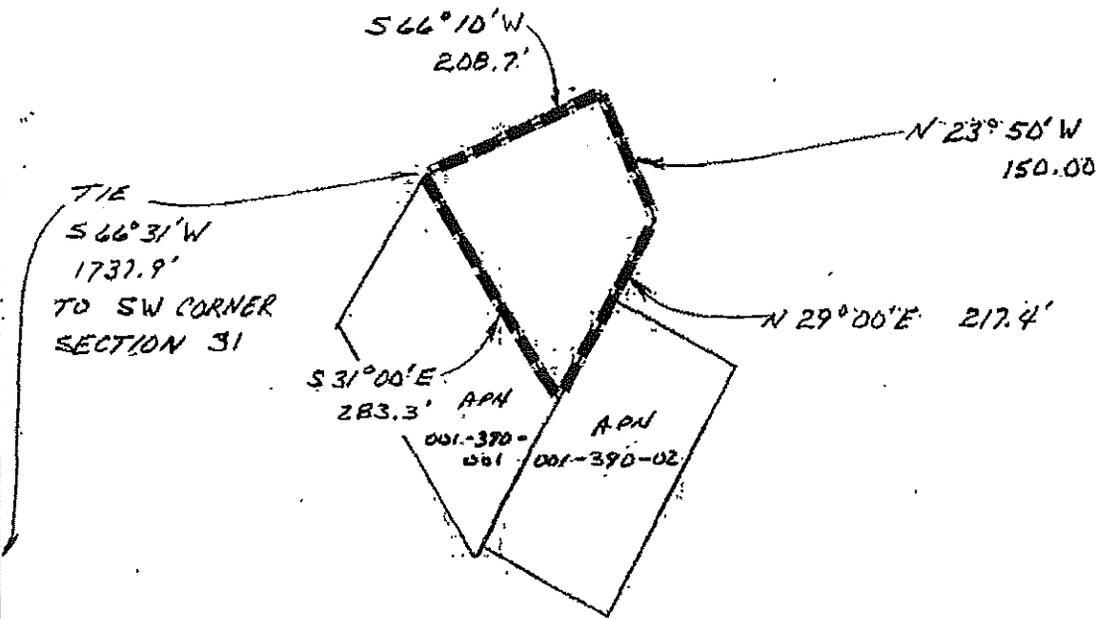


EXHIBIT B
MAP OF PREMISES



PG 7 E

PROPERTY CENTER SECTION LINE



Unless otherwise shown
all courses extend to or
along boundaries or lines

CITY, RANCHO, SUBDIVISION, ETC. SCALE 1" = 200' DATE 6/6/95

	SECTION 31	TOWNSHIP 27 N	RANGE 7 E	MERIDIAN M.D.B.M.
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COUNTY OF PIMA

CHG. DATE DESCRIPTION AUTH. BY CH. F.B. DR. BY: JMC CH. BY:

REFERENCES: 2:127-07-02 99 588 135-32-3A P. 11 PG 7 E



EXHIBIT C

INSURANCE REQUIREMENTS

Tenant shall maintain the following insurance coverage. The Landlord reserves the right to alter insurance requirements based on project scope. Tenant is also responsible for its agents and contractors' maintaining sufficient limits of the appropriate insurance coverage.

A. Homeowners' Liability

1. Homeowners' Liability coverage with respect to the Premises and the use, occupancy and activities by and on behalf of Tenant or Tenant's agents, contractors or invitees on or about the Premises, against claims for personal injury and property damage, and at least as broad as the Insurance Services Office ("ISO") Homeowners' Liability insurance occurrence policy form, or a substitute form providing equivalent coverage as approved by the Landlord. Limits shall not be less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, death and property damage. Defense costs are to be provided as an additional benefit and not included within the limits of liability of the Homeowners' Liability Insurance. If a watercraft is stored or used with respect to the Premises, ISO endorsement HO24751000, or equivalent as approved by Landlord, for watercraft liability shall be endorsed to the Homeowners' Liability Insurance policy.

2. Coverage shall: a) by "Additional Insured" endorsement add as additional insureds the Landlord, its directors, officers, agents and employees with respect to liability arising out of work Tenant's activities, including watercraft liability; if applicable, and b) be endorsed to specify that Tenant's insurance is primary and that any insurance or self-insurance maintained by the Landlord shall not contribute with it.

B. Personal Auto

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form.
2. The limit shall not be less than Three Hundred Thousand Dollars (\$300,000) each accident for bodily injury and property damage.

C. Additional Insurance Provisions

1. Tenant shall furnish the Landlord with certificates of insurance and endorsements of all required insurance for Tenant prior to the Commencement Date of this Lease.
2. The documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to the Landlord.
3. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company
Insurance Department
One Market, Spear Tower, Suite 2400
San Francisco, CA 94105

A copy of all such insurance documents shall be sent to Landlord's Insurance Department, with a copy to the Land Services Department, at the address set forth in Section 17 of the Lease.

4. The Landlord may inspect the original policies or require complete certified copies, at any time.
5. Upon request, Tenant shall furnish the Landlord the same evidence of insurance for its agents or contractors as the Landlord requires of Tenant.
6. All insurance required under this Lease shall be effected under valid enforceable policies issued by insurers of recognized responsibility and Leased to do business in the State of California.

EXHIBIT D

BELDEN, CARIBOU & HUMBUG VALLEY RULES AND REGULATIONS

7/1/2006

PACIFIC GAS AND ELECTRIC COMPANY

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OVERVIEW:

There are presently 7 leased lots with recreation residences on Pacific Gas and Electric Company ("PG&E") land in the Belden, Caribou and Humbug Valley areas of Plumas County, California. PG&E has adopted the following Rules and Regulations to govern the use of the Property and to promote and safeguard environmental, biological, and cultural resources.

MODIFICATIONS:

PG&E, at its sole discretion, reserves the right to amend or modify these Rules and Regulations at any time. Past practices, policies or occurrences have not established precedence, and no activity or improvements should be assumed acceptable based on past actions or prior approval by PG&E.

DEFINITIONS:

The real property located at Belden, Caribou and Humbug Valley, Plumas County, California, that is owned by PG&E, including, without limitation, the Premises, as defined below, together with all easements and rights appurtenant thereto, is referred to in these Rules and Regulations as the "Property."

The portion of the Property leased to Tenant in the Applicable Lease, as defined below, is referred to herein as the "Premises."

Unless otherwise defined in these Rules and Regulations, all terms shall have the meanings given them in the applicable lease to which these Rules and Regulations are attached as an exhibit (the "Applicable Lease"), as such Rules and Regulation may be amended from time to time.

I. RESIDENTIAL USE OF PG&E RECREATIONAL LOTS

1.1 Authorized Structures - Improvements:

To maintain long-term objectives for aesthetics, to control future growth and to protect the integrity of septic, water and general utility facilities in the Feather River Canyon, PG&E will authorize only one dwelling unit per lot. Secondary structures now existing such as sheds, guest houses and detached garages will be phased out over time, or attached to the dwelling unit through alteration of design, for instance by a trellis or a breezeway, provided that together the overall size of the dwelling unit and the attached secondary structure does not exceed the maximum allowable square footage limitations as set forth in Section 1.3 (Size Limits) below. Secondary structures may be required to be removed at the election of PG&E upon any of the following events:

- (1) A change in ownership of Tenant's residence;
- (2) Expiration/termination of Tenant's lease with PG&E, as more specifically set forth in the Applicable Lease;
- (3) A request for new construction, or alteration, addition or substantial repair of existing improvements;
- (4) Destruction of the structure; and,

(5) A change in PG&E's ownership of the Property.

Construction of additional sheds, guesthouses and detached garages will not be allowed. Reconstruction of existing structures or enlargement of existing structures may be allowed only with PG&E's prior written consent, which consent shall be at PG&E's sole and absolute discretion, according to the procedure set forth in these Rules and Regulations and the Applicable Lease.

1.2 Drawings And Plans:

In connection with any proposal for new construction, alteration, addition, or substantial repair of existing improvements, Tenant is required to submit design and layout plans to the authorized PG&E representative, and otherwise comply with all requirements set forth in the Applicable Lease. The design and layout plans should provide enough detail to allow an in depth analysis. Details including features such as roads, trees, rock outcrops, location of planned and existing improvements, proposed minor cuts and fills and delineation of lot boundaries should be shown as accurately as possible. The total size of the structure, individual floor spacing, foundation dimensions, etc., should always be indicated as accurately as possible.

Under no circumstances will new construction, alteration, addition, or substantial repair of existing improvements be authorized by PG&E unless the plans submitted demonstrate compliance with the maximum allowable square footage limitation standard and compatibility with the natural surroundings.

In the event that PG&E's designated representative grants PG&E's written approval-in-concept of the proposed new construction, alteration, addition, or substantial repair of existing improvements, Tenant will submit their construction plans to the applicable County Planning Department for final approval as required by law to insure compliance with all pertinent and applicable construction code standards. Tenant must also obtain required permits from other agencies (if applicable) before any project can start. The form of all permits and any conditions related thereto, shall be submitted to PG&E for approval, which approval may be withheld at PG&E's sole and absolute discretion. Copies of the final permits will be sent to PG&E for inclusion in its files.

1.3 Size Limits:

The habitable space is limited to a maximum of 900 square feet. Determination of habitable space will be at PG&E's sole discretion and will include the sum total of all separate structures that are habitable, including both floors of a two-story residence, and where they already exist, authorized guest cabins and garages with habitable space. Part of any agreement to increase the enclosed size of a residence will require agreement by Tenant to remove any guest cabin(s) and/or other outbuildings with habitable space in order to achieve the required 900 square foot maximum. PG&E, however, further reserves the right to limit the size of all structures and improvements to any square footage that PG&E deems, in its sole discretion, is suitable for the lot, based on lot size, location, terrain, vegetation and any other factors PG&E may consider.

A recreation residence may not be constructed higher than one story plus a loft if on level ground. In cases where excavation is allowed into a slope, the structure can be proposed and ultimately constructed as a two-story unit with a loft, but the lower story must constitute a non-habitable basement/garage for the primary purpose of storage with exterior access only. No dwelling or bath facilities shall be allowed within the lower story. The total height of the structure shall conform to county ordinances and not exceed 35 feet from the ground floor to the peak of the roof.

1.4 Decks And Appurtenances:

Decks and patios must be attached to the residence. Combined deck and/or patio size shall not exceed 250 square feet. Whenever possible, decks should be constructed only on one side of the residence. Decks and patio locations must be approved by PG&E's representative, at PG&E's sole and absolute discretion. If the area under a deck is used for storage it must be fully enclosed.

Appurtenances may be approved on a case-by-case basis, at PG&E's sole and absolute discretion, provided, however, PG&E will not approve any appurtenance that detracts from the natural surroundings (examples of prohibited appurtenances: hot tubs/spas, built-in BBQ's, solar panels, swing sets, gazebos, etc.)

1.5 Grading And Site Preparation:

In preparing a lot for construction, Tenant must be guided by the principle that the slope and configuration of the land should always be preserved in as near a natural condition as practical. Effort must be made to minimize cuts and fills and an attempt should be made to balance grading activities so as to avoid the removal or excessive importation of topsoil. PG&E will require a grading plan for review and the representative in charge shall make a determination as to whether proposed cuts and fills are beyond that which is necessary to accommodate the proposed construction. If PG&E grants its approval to the grading plan, Tenant will then submit grading plans to the applicable County Planning Department for final approval as required by law to insure compliance with all pertinent and applicable construction code standards.

1.6 Landscaping:

Landscaping is authorized only to restore natural conditions. Urban-like flower beds, lawns, ivy, and decorations such as birdbaths, statues and plastic flowers are not acceptable and will not be allowed. Walks should be gravel or native material. The use of non-native rocks or trees and other types of decorations foreign to the natural environment are not allowed. Removal of vegetation and trees solely to improve views and visibility is prohibited.

Attachments of any objects to trees by any means will not be allowed. Such objects include, but are not limited to: gates, yard lights, private power lines, benches, signs, clotheslines and wires.

1.7 Signage:

No signage shall be placed on the Property without PG&E's prior written consent to a drawing of such signage, which consent shall be at PG&E's sole and absolute discretion. No signs will be approved unless such signs are of a rustic design and consistent with the natural surroundings.

Residences will be allowed only one sign displaying the lot number, street address and Tenant's last name. If the sign on the residence is not easily visible from the main road, a second sign, on a maximum 36-inch high post at the driveway entrance, may be authorized; however, it must be approved by PG&E. Signs may not be nailed or otherwise attached to trees.

1.8 Water Quality Degradation:

Sewage and drainage systems must be (i) properly located in accordance with Section 1.16 (Septic Systems) of these Rules and Regulations, (ii) approved in writing by PG&E, and (iii) in

compliance with all applicable governmental regulations and these Rules and Regulations. Septic systems shall be installed and operated so that effluent never reaches the water of the North Fork of the Feather River or any of its tributaries.

1.9 Accumulation Of Debris:

Tenant shall not allow the accumulation of landscape debris, tree trimmings, debris or trash on the Property. In no event shall the Tenant dispose or allow the disposal of any debris, trash, waste or personal property on the Property. All household refuse shall be removed from the Property either by Tenant or by a contracted local waste management service, at Tenant's sole cost. Routine and occasional collection of drifting debris is permissible provided such refuse is promptly removed from the Property.

1.10 Burning Debris:

Burning of household refuse is strictly prohibited. Tenant shall not burn natural debris (twigs, pine needles, leaves, limbs, etc.) within 25 feet, measured horizontally, of the High Water Elevation. Tenant shall not burn any debris outside of a furnace or fireplace constructed for that purpose within a building, or in an existing fire ring or campfire pit. Tenant shall comply with all applicable state and county rules and regulations associated with any burning, take all precautions to prevent and suppress fires, and obtain all necessary burning permits from the appropriate agency.

1.11 Repairs:

Tenant shall have the obligation to perform usual, necessary and ordinary repairs to buildings, fences, water pipelines and other structures to keep such improvements in good condition to the satisfaction of PG&E. Building may be rustic in nature or if Tenant elects to periodically paint the exterior of all buildings, it must be in a color approved by PG&E. An approved list of colors may be obtained by contacting PG&E's Land Department, 350 Salem Street, Chico, CA 95928.

1.12 Tree Trimming and Removal:

Tenants are responsible for the removal or trimming of trees or brush that are dead or hazardous, at Tenant's sole expense. Tenant should contact PG&E if Tenant is concerned about a particular tree; otherwise, PG&E will identify hazardous trees or brush during inspections and require Tenant to remove or trim them as PG&E deems appropriate. Tenant must obtain PG&E's written authorization before removing or trimming any tree(s) or brush, which authorization shall specify the manner of such removal and disposal.

1.13 Operation of Motorized Vehicles:

Tenant shall not operate motorized vehicles of any nature on the Property outside of the boundary lines of the Premises; except upon existing roads required for ingress to and egress from the Premises. Permission for vehicular access to any existing domestic water system lying outside the boundary lines the Premises must be obtained by contacting PG&E's Land Department, 350 Salem Street, Chico, CA 95928, telephone number (530) 896-4256.

1.14 Transfer Of Lease:

Assignment, but not subletting, shall be allowed with PG&E's written consent in conjunction with the sale of a residence, as more specifically set forth in the Applicable Lease. An administrative fee

of \$350 will be levied for a request for assignment of the Applicable Lease. This fee is subject to change.

1.15 Septic Systems:

In the event that Tenant is not connected to a community septic system, the following rules and regulations shall apply:

- (A) In the event of any septic system failure, Tenant shall immediately be required to (1) design and install, at Tenant's sole expense, such septic lines and leach fields as necessary within a site or sites designated by PG&E, or (2) contact the appropriate homeowners' association and make arrangements to connect to the local community septic system. PG&E must review all plans, and final approval is at the sole discretion of PG&E. Interim sealed pump out vault systems will be acceptable provided that the appropriate permits be obtained from the County Environmental Health Department.
- (B) If Tenant is required to install an off-site system, PG&E will prepare an agreement outlining the terms and conditions for such installation. Tenant will pay an administrative fee of \$350.00 and an annual fee of \$250.00 for the use of additional PG&E property. These fees are in addition to any fees set forth in the Applicable Lease. The \$600.00 (combined administrative fee and first year annual fee) will be due and payable upon delivery and execution of said agreement. Fees quoted in this paragraph (C) are subject to change.
- (C) Tenants with sealed pump out vault systems shall insure that all existing waste water facilities, including but not limited to drain lines, leach lines and septic tanks, capable of transporting or storing gray water or effluent shall empty into said sealed vault.

II. PERMIT REQUIREMENTS AND FEES

2.1 Permit and PG&E Consent Requirements:

Tenants are responsible for securing any and all applicable permits according to law from agencies including, but not limited to: The California Department of Fish and Game, United States Corps of Engineers, and the United States Forest Service.

Tenants should contact the local PG&E representative prior to any planned activity to determine whether a consent, approval, license or other agreement ("Consent") is required from PG&E. PG&E Consents are valid for a specific period from the date of issuance as set forth in the Consent. If the facilities are not installed or the activity does not take place within the time frame set forth in the Consent, then the Consent will be void. Below is a partial list of items that will require Consent from PG&E as well as potentially requiring permits from any applicable governmental agency. In the event that any of the following activities are to be conducted outside the boundary of the Premises, Tenant will obtain all necessary permits, approvals, consents, licenses and agreements from not only PG&E and the appropriate governmental agencies, but also from the owner, lessee or licensee of the property being accessed or impacted by the activities.

- (A) excavation, grading, dredging, rip rap placement, stump and rock removal, and other forms of shoreline alterations;
- (B) storage of materials outside structures previously approved by PG&E for such use;
- (C) construction or reconstruction of recreation homes, docks, stairways, walkways or other improvements;
- (D) vehicular access to any existing domestic water system lying outside the boundary lines of the Premises; and,
- (E) other activities that may affect water storage, water rights, the environment, etc.

2.2 Administrative Fees:

An administration fee may be charged for Consents issued for review of applications for activities or construction on the Property. Such fee will cover preparation of the Consent, routing for approval, and administrative expenses. Currently the minimum fee is \$350.00 per application, and is subject to change.

2127-07-0577

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SECOND AMENDMENT TO LEASE

This **SECOND AMENDMENT TO LEASE AGREEMENT** (this "Amendment"), is made and entered into as of January 1, 2014 (the "Effective Date") by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("Landlord"), and **BETTY L. KAYLOR, TIMOTHY F. DURKEE, TOBIN A. DURKEE, LESLIE DURKEE GREATHOUSE and HAYDEN B. DURKEE** (collectively "Tenant"). Landlord and Tenant are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

- A. The Parties entered into that certain Pacific Gas and Electric Company Ground Lease (Ground Lease), dated July 20, 2006, pursuant to which Landlord granted Tenant permission for the continued use, occupancy and maintenance of a recreational home site on property owned by Landlord located in Plumas County, California (the "Premises"), as more particularly described therein
- B. The Ground Lease was assigned to the Tenant effective August 1, 2008 pursuant to that certain Lease Assignment and Consent (Assignment) and the terms were subsequently amended pursuant to that certain First Amendment to Lease (Amendment).
- C. The aforementioned documents (Ground Lease, Assignment and Amendment) are collectively the "Existing Lease".
- D. The Parties desire to amend the Existing Lease to (i) extend the Term of the Existing Lease for a period of ten (10) years, commencing January 1, 2014 and expiring December 31, 2023, and (ii) otherwise modify the Existing Lease upon the terms and conditions set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Defined Terms; Recitals; Effective Date. Unless otherwise defined herein, all capitalized words and terms used in this Amendment shall have the meanings ascribed to them in the Existing Lease. The Recitals are hereby incorporated by this reference. Unless otherwise specifically provided herein, all provisions of this Amendment shall be effective as of the Effective Date set forth above. The Existing Lease, as amended by this Amendment, is referred to herein as the "Lease".
2. Extension of Term. The Term of the Lease is hereby extended for a period of ten (10) years, commencing January 1, 2014 and expiring December 31, 2023 (the "Extension").

Term"), unless earlier terminated, pursuant to the terms and conditions of the Lease. All references in the Lease to the "Term" shall mean the term as extended by this Amendment.

3. Rent. During the Extension Term, Tenant shall pay annual Base Rent in the form of a check payable to Landlord, in advance, in the following amounts on or before the first day of June 2014 and on or before the first day of January of each year thereafter, during the Extension Term:

January 1, 2014 to December 31, 2014, \$1,175.00

January 1, 2015 to December 31, 2015, \$1,175.00

On 1/1/2016, 1/1/2018, 1/1/2020 and 1/1/2022 the annual fee payable thereafter shall be adjusted by the increase, in the Consumers Price Index of the Bureau of Labor Statistics of the U. S. Department of Labor for Pacific Cities and U. S. City Average (1982-84 = 100), all Urban Consumers, San Francisco-Oakland-San Jose ("Index").

The annual fee payable for the period 1/1/2016 through 12/31/2017 shall be \$1,175.00 increased by the percentage of the increase, if any, in the Index for the month of October 2013 as compared with the Index for the month of October 2015.

The annual fee payable for the period 1/1/2018 through 12/31/2019 shall be the preceding annual fee increased by the percentage of the increase, if any, in the Index for the month of October 2015 as compared with the Index for the month of October 2017.

The annual fee payable for the period 1/1/2020 through 12/31/2021 shall be the preceding annual fee increased by the percentage of the increase, if any, in the Index for the month of October 2017 as compared with the Index for the month of October 2019.

The annual fee payable for the period 1/1/2022 through 12/31/2023 shall be the preceding annual fee increased by the percentage of the increase, if any, in the Index for the month of October 2020 as compared with the Index for the month of October 2022.

If the Index is discontinued or revised, its replacement or another Index shall be used in order to obtain substantially the same result as had the Index not been discontinued or revised. **Notwithstanding the foregoing, the fee increases during this Extension Term shall not be more than one hundred six percent (106%) of the annual fee paid during the preceding year, provided that in no event shall the new fee be less than the fee of the preceding year.**

4. As Is Condition of Premises. Tenant acknowledges and agrees that its use of the Premises during the Extension Term is a continuation of Tenant's use under the Lease. Tenant is familiar with the condition of the Premises, and accepts the Premises during the Extension Term in their "as is" condition.

5. Insurance Requirements. Paragraph C (3) shall be stricken from Exhibit C of the Existing Lease and replaced with the following:

"C (3) The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company
Attn. Land Agent
350 Salem Street
Chico, CA 95928

6. Miscellaneous.

(a) Ratification. Except as expressly amended, modified or supplemented by this Amendment, all of the terms, conditions and provisions of the Existing Lease remain in full force and effect and are hereby ratified and confirmed.

(b) Conflicts. To the extent the terms of the Existing Lease and this Amendment are inconsistent, the terms of this Amendment shall control.

(c) Not an Offer. The submission of this Amendment to Tenant for examination or execution does not create an option or constitute an offer to Tenant to amend the Existing Lease, on the terms and conditions contained herein, and this Amendment shall not become effective as an amendment to the Lease unless and until it has been executed and delivered by both Landlord and Tenant. By executing and delivering this Amendment, the person or persons signing on behalf of Tenant represent and warrant that they have requisite authority to bind Tenant.

(d) Entire Agreement. This Amendment contains the entire agreement of Landlord and Tenant with respect to the subject matter hereof. It is understood that there are no oral agreements between Landlord and Tenant affecting the Existing Lease as hereby amended, and this Amendment supersedes and cancels any and all previous negotiations, representations, agreements and understandings, if any, between Landlord and Tenant and their respective agents with respect to the subject matter thereof, and none shall be used to interpret or construe the Existing Lease as amended hereby.

(e) Joint and Several Liability. If Tenant shall consist of one or more persons or entities, the obligations of Tenant shall be joint and several, and the act of notice from, or notice to, or the signature of, any one or more of them, with respect to the Lease, including but not limited to, any renewal, extension, expiration, termination or modification of the Lease, shall be binding upon each and all of the persons or entities constituting Tenant, with the same force and effect as if each and all of them had so acted or so given or received such notice or so signed.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed as of the date set forth below each signature, to be effective on the Effective Date first above written.

LANDLORD:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

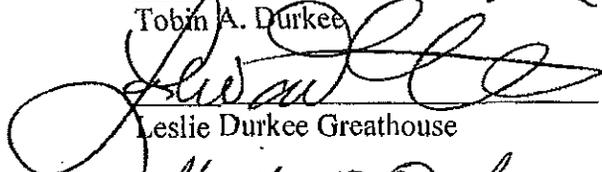
By  Dated 8/30/14
Ettore Minor
Manager, Land Rights and Encroachment Management

TENANT:

Betty L. Kaylor Dated 8-4-14
Betty L. Kaylor

Timothy F. Durkee Dated 8-19-14
Timothy F. Durkee

Tobin A. Durkee Dated 8/28/14
Tobin A. Durkee

 Dated 8/20/2014
Leslie Durkee Greathouse

Hayden B. Durkee Dated 8/17/14
Hayden B. Durkee

Area 6
Chico Land Service Office
Operating Department: Hydro
T. 27 N., R. 7 E., Sec. 31, SE4 of SW4
MDB&M
FERC Lease Number: 803
PG&E Drawing Number: N/A
LD of any affected documents:
2127-07-0523, 0543, 0554
LD of any Cross-referenced documents: N/A
Type of Interest: 11, 11L, 24

SBE Parcel Number: 135-32-003A, Pcl. 1
Order# 10212221
JCN: N/A
County: Plumas
Utility Notice Numbers: N/A
Prepared By: SDPF
Checked By:
Date: 4/30/2014
Revision Number: N/A

mdh ✓

2127-07-0554

FIRST AMENDMENT TO LEASE

This **FIRST AMENDMENT TO LEASE AGREEMENT** (this "Amendment"), is made and entered into as of 5-28-2010, 2010 (the "Effective Date") by and between **PACIFIC GAS AND ELECTRIC COMPANY**, a California corporation ("Landlord"), and **BETTY L. KAYLOR, TIMOTHY F. DURKEE, TOBIN A. DURKEE, LESLIE DURKEE GREATHOUSE and HAYDEN B. DURKEE** (collectively "Tenant"). Landlord and Tenant are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

- A. The Parties entered into that certain Pacific Gas and Electric Company Ground Lease (the "Existing Lease"), dated July 20, 2006, pursuant to which Landlord granted Tenant permission for the continued use, occupancy and maintenance of a recreational home site on property owned by Landlord located in Plumas County, California (the "Premises"), as more particularly described therein
- B. The term of the Existing Lease is scheduled to expire on July 31, 2010.
- C. The Parties desire to amend the Existing Lease to (i) extend the Term of the Existing Lease for a period of three (3) years and five (5) months, commencing August 1, 2010 and expiring December 31, 2013, and (ii) otherwise modify the Existing Lease upon the terms and conditions set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. Defined Terms; Recitals; Effective Date. Unless otherwise defined herein, all capitalized words and terms used in this Amendment shall have the meanings ascribed to them in the Existing Lease. The Recitals are hereby incorporated by this reference. Unless otherwise specifically provided herein, all provisions of this Amendment shall be effective as of the Effective Date set forth above. The Existing Lease, as amended by this Amendment, is referred to herein as the "Lease".
- 2. Extension of Term. The Term of the Existing Lease is hereby extended for a period of three (3) years and five (5) months, commencing August 1, 2010 and expiring December 31, 2013 (the "Extension Term"), unless earlier terminated, pursuant to the terms and conditions of the Lease. All references in the Lease to the "Term" shall mean the term as extended by this Amendment. During the Extension Term, Tenant shall pay annual Base Rent in the form of a check payable to Landlord, in advance, in the following amounts on or before the first day of August 2010 and on or before the first day of January of each year thereafter, during the Extension Term:

<u>Period</u>	<u>Annual Base Rent</u>
8/1/2010 through 12/31/2010	\$488.55
1/1/2011 through 12/31/2011	\$1,175.00
1/1/2012 through 12/31/2012	\$1,175.00
1/1/2013 through 12/31/2013	\$1,175.00

3. As Is Condition of Premises. Tenant acknowledges and agrees that its use of the Premises during the Extension Term is a continuation of Tenant's use under the Existing Lease. Tenant is familiar with the condition of the Premises, and accepts the Premises during the Extension Term in their "as is" condition.

4. Conservation Documents.

(a) Landlord and Tenant hereby enter into this Amendment with reference to the following:

(1) Landlord is a party to that certain Settlement Agreement (the "Settlement Agreement") as modified and approved by the CPUC in its Opinion and Order of December 18, 2003 (Decision 03-12-035).

(2) In furtherance of the Settlement Agreement, and to provide additional detail regarding the implementation of the "Land Conservation Commitment" (defined below), the parties to the Settlement Agreement and other interested parties entered into that certain Stipulation Resolving Issues Regarding the Land Conservation Commitment dated September 25, 2003 (the "Stipulation").

(3) The Settlement Agreement and the Stipulation (collectively, the "Governing Documents") require Landlord to ensure that approximately 140,000 acres of watershed lands and approximately 655 acres of land located in the Carizzo Plains, all owned by Landlord (collectively, the "Watershed Lands"), including the Premises, are conserved for a broad range of beneficial public values, including the protection of the natural habitat of fish, wildlife and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. The obligations of Landlord with respect to the Watershed Lands are set forth in detail in Appendix E of the Settlement Agreement and in Section 12 of the Stipulation, and are defined therein as the "Land Conservation Commitment."

(4) Pursuant to the Governing Documents, the Pacific Forest and Watershed Lands Stewardship Council, a California non-profit public benefit corporation (the "Stewardship Council") was created to oversee and carry out the Land Conservation Commitment. In accordance with the Governing Documents, the Stewardship Council developed and adopted a land conservation plan (the "LCP") for protection of the Watershed Lands for the benefit of the citizens of California. The LCP includes, among other things, objectives to preserve and/or enhance the beneficial public values identified on each parcel of Watershed Lands.

(5) In addition to the LCP, the Stewardship Council is developing a disposition package for the Premises (the "Disposition Package") in order to carry out the objectives of the LCP with respect to the Premises.

(6) Landlord has agreed that, subject to (1) CPUC approval under California Public Utilities Code Section 851, (2) approval by the FERC for lands subject to its jurisdiction, and (3) certain other requirements provided in the Governing Documents, every parcel of the Watershed Lands, including the Premises, will be subject to a fee simple donation or donations and/or conservation easement or easements donated by Landlord to one or more public agencies or qualified non-profit conservation organizations.

(7) In furtherance of the foregoing, Landlord may convey fee title to the Premises to one or more public agencies or qualified non-profit conservation organizations (the "Successor Landlord"). In any event, it is anticipated that Landlord (either in connection with the conveyance of fee title or in lieu of such conveyance) or Successor Landlord will grant a conservation easement or easements (the "Conservation Easement") over part or all the Premises to one or more public agencies or qualified non-profit conservation organizations (the "Easement Grantee"). In connection with a conveyance of fee title to Successor Landlord, Landlord shall assign its right, title and interest under the Lease as to the Premises to Successor Landlord, and Successor Landlord shall assume the obligations of Landlord hereunder. All references in the Lease to "Landlord" shall be deemed to include Successor Landlord from and after the date Successor Landlord becomes the owner of fee title to the Premises.

(8) Concurrently with the conveyance of the Conservation Easement (and the conveyance of fee title, if applicable), it is anticipated that the Easement Grantee and Landlord or Successor Landlord will enter into a land management plan (as initially adopted, and as the same may be modified and replaced from time to time, the "Land Management Plan") to preserve and enhance the beneficial public values present at the Premises.

(b) Tenant acknowledges and agrees that, except as expressly set forth above, neither Landlord nor its officers, directors, employees or agents makes or has made any representations or warranties of any kind, express or implied, written or oral, as to the Governing Documents, the Land Conservation Commitment, the LCP, the Disposition Package, the Conservation Easement, the Land Management Plan, and the conveyances and agreements that Landlord and/or Successor Landlord may enter into pursuant to the foregoing (collectively, the "Conservation Documents"), the activities to be carried out pursuant thereto, or the potential physical, economic or other impact thereof on Tenant, the Premises, the rights and obligations of Tenant under the Lease or otherwise.

(c) Landlord shall have the right to require modifications to Tenant's Allowed Use to the extent reasonably necessary to preserve and enhance the beneficial public values present at the Premises in accordance with the Conservation Documents; provided, however, that no such modifications shall have a Material Adverse Impact, as defined below. Tenant acknowledges that, provided such modifications would not have a Material Adverse Impact, such modifications may result in Tenant being required to conduct, or refrain from conducting, certain activities currently permitted on some or all of the Premises. Landlord shall give Tenant at least

one hundred and eighty (180) days' prior written notice of Landlord's election to modify Tenant's use hereunder.

(d) As used in subparagraph (c) above, the phrase "Material Adverse Impact" shall mean an impact that materially deprives Tenant (or that is reasonably likely to materially deprive Tenant) of any of its material rights and benefits under the Existing Lease, as amended by this Amendment, or that materially increases (or is reasonably likely to materially increase) any of Tenant's obligations under the Existing Lease, as amended by this Amendment, as determined by Landlord in its reasonable discretion, resulting from any restriction or modification to Tenant's Allowed Use of the Premises.

(e) If Landlord shall sell, convey or otherwise transfer fee title to the Premises, and assign the interest in the Lease concerning the Premises or any portion thereof, to one or more transferees, including, without limitation, any transfer or transfers described in this Section 5, Landlord shall thereupon be released from any and all covenants, liabilities and obligations (express or implied) on the part of Landlord under the Lease, accruing from or after the date of such sale, conveyance or transfer, and Tenant shall look solely to the transferee or transferees for performance of the obligations of Landlord under the Lease. The Lease shall not be affected by such sales, conveyances or transfers, except for such modifications set forth herein, and Tenant agrees to attorn to the transferee or transferees, such attornment to be effective and self-operative without the execution of any further instrument by the parties to the Lease. Under no circumstances shall Landlord be liable for any act or omission whatsoever of any Successor Landlord or Easement Grantee with regard to the Conservation Easement, the Conservation Documents or otherwise, as more specifically set forth in this Section 5. Landlord shall also have the right to reserve in any deed or by separate instrument, easements and other retained rights for Landlord's benefit upon any sale, conveyance or transfer of the Premises, or any portion thereof (the "Reserved Easements"), including, without limitation, easements and other rights of entry and use for the installation, replacement, use, operation, repair and maintenance of hydroelectric, water delivery and other existing or future facilities on the Premises or in connection with property in the vicinity of the Premises, for the investigation, remediation and mitigation of any Hazardous Materials and/or in connection with FERC requirements. The Reserved Easements may be subject to the FERC License. Tenant hereby agrees that the Lease shall be subject to, and subordinate to, the Reserved Easements. Tenant agrees to take such reasonable actions, including but not limited to acknowledging, delivering or executing instruments and documents, as may be required to effectuate the purposes of this Section 5, and to further document the provisions of the Lease that will continue in effect between Tenant and Landlord, as a third party beneficiary.

(f) This Section 4 shall be self-operative and no further instrument of subordination shall be required. However, Tenant agrees to execute such documentation as may be reasonably requested by Landlord in order to carry out the terms of this Section 4.

5. Insurance Requirements. Paragraph C (3) shall be stricken from Exhibit C of the Existing Lease and replaced with the following:

(TENANT TO INITIAL HERE)

HTD BK

HTD BK
TAD

(e) Joint and Several Liability. If Tenant shall consist of one or more persons or entities, the obligations of Tenant shall be joint and several, and the act of notice from, or notice to, or the signature of, any one or more of them, with respect to the Lease, including but not limited to, any renewal, extension, expiration, termination or modification of the Lease, shall be binding upon each and all of the persons or entities constituting Tenant, with the same force and effect as if each and all of them had so acted or so given or received such notice or so signed.

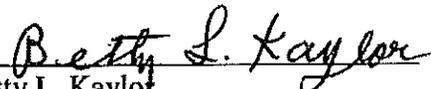
IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed as of the date set forth below each signature, to be effective on the Effective Date first above written.

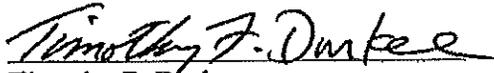
LANDLORD:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

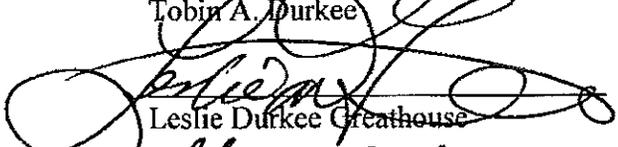
By  Dated 7.8.2010
Robert L. Jones
Manager, Land Management

TENANT:

 Dated 5-28-2010
Betty L. Kaylor

 Dated 5-21-2010
Timothy F. Durkee

 Dated 6/15/2010
Tobin A. Durkee

 Dated 6/4/2010
Leslie Durkee Greathouse

 Dated 9-27-2010
Hayden B. Durkee

Note: Tenant also to initial Section 4

Area 6
Chico Land Service Office
Operating Department: Hydro
T. 27 N., R. 7 E., Sec. 31, SE4 of SW4
MDB&M
FERC Lease Number: 803
PG&E Drawing Number: N/A
LD of any affected documents:
2127-07-0523, 0543
LD of any Cross-referenced documents: N/A
Type of Interest: 11L, 24

SBE Parcel Number: 135-32-003A, Pcf. 1
Order# 10212221
JCN: N/A
County: Plumas
Utility Notice Numbers: N/A
Prepared By: JMC
Checked By:
Date: 5/14/2010
Revision Number: N/A

LEASE ASSIGNMENT AND CONSENT

THIS LEASE ASSIGNMENT AND CONSENT (this "Assignment and Consent") is entered into by and between LYNDEN B. DURKEE, an individual ("Assignor"), HAYDEN B. DURKEE, an individual ("Assignee"), and PACIFIC GAS AND ELECTRIC COMPANY, a California Corporation ("PG&E"), effective as of August 1, 2008 (the "Effective Date").

RECITALS

A. PG&E and Assignor entered into a Lease agreement executed July 20, 2006 (the "Lease"), granting Assignor a Lease to occupy, use and maintain an existing recreational home ("Lessee's Facilities") on certain real property owned by PG&E in the County of Plumas, State of California as set forth in Exhibit B to the Lease (the "Premises"). Capitalized terms used herein without definition shall have their respective meanings set forth in the Lease.

B. Assignor desires to assign to Assignee all of his right and partial interest in and to the Lease (the "Assignment") as of the Effective Date and Assignee is willing to accept from Assignor such Assignment and to assume each and all of the obligations of the "Assignor" under the Lease to be performed following the Effective Date.

C. The effectiveness of the Assignment is subject to the consent of PG&E.

D. Assignor and Assignee desire to obtain the consent of PG&E to the Assignment, and PG&E agrees to consent to the Assignment, subject to and upon the express terms and conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Assignor's Assignment.

1.1 Assignment. Assignor hereby assigns, conveys and otherwise transfers to Assignee all of Assignor's right and interest in and to the Lease as of the Effective Date.

1.2 Assignor's Warranty. Assignor warrants that the Lease attached hereto as Exhibit "1", which by this reference is made a part hereof, is a true and correct copy of the entire Lease between PG&E and Assignor.

2. Assumption by Assignee.

2.1 Assumption. Assignee hereby accepts all of Assignor's right and interest in and to the Lease, and, from and after the Effective Date, assumes and agrees to be bound by and perform, as a direct obligation of Assignee to PG&E, each and all of the obligations, terms, covenants and agreements of the "Assignor" under the Lease.

2.2 Condition of the Premises. Assignee acknowledges that (i) Assignee has inspected the Premises and accepts the Premises in their existing "AS IS" condition (ii) no representations or warranties of any kind, express or implied, have been made by Assignor or any agent of Assignor to Assignee regarding the Premises, and (iii) no representations or warranties of any kind, express or implied, have been made by PG&E or any agent of PG&E to Assignee regarding the Premises.

3. PG&E's Consent.

3.1 Consent. Subject to the terms and conditions contained in this Assignment and Consent, and provided that Assignor is not in default in the performance of any of its obligations, covenants or agreements under the Lease at any time prior to the full execution of this Assignment and Consent, PG&E hereby consents to the Assignment.

3.2 Insurance. Prior to Assignee's execution of this Assignment and Consent, Assignee shall deliver to PG&E certificates of insurance evidencing Assignee's compliance with the provisions of the Lease.

3.3 Future Transfers. PG&E's consent to the Assignment set forth herein shall not be construed as a waiver of PG&E's right to refuse consent to any future proposed assignments or transfer of any rights by Assignee, nor as a waiver of any other rights which PG&E is provided under the Lease upon the occurrence of any proposed or purported future assignments or transfers of any rights by Assignee.

4. General Provisions.

4.1 Lease in Force. Except as set forth in this Assignment and Consent, all provisions of the Lease shall remain unchanged and in full force and effect and are hereby ratified and confirmed.

4.2 Attorneys' Fees. Should any party herein bring an action against the other party, by reason of or alleging the failure of the other party with respect to any or all of its obligations hereunder, whether for declaratory or other relief, then the party which prevails in such action shall be entitled to its reasonable attorneys' fees (of both in-house and outside counsel) and expenses related to such action, in addition to all other recovery or relief. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. Attorneys' fees shall include, without limitation, fees incurred in discovery, contempt proceedings, and bankruptcy litigation. The non-prevailing party shall also pay the attorney's fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. The covenant in the preceding sentence is separate and several and shall survive the merger of this provision into any judgment on this Assignment and Consent. For purposes hereof, the reasonable fees of PG&E's in-house attorneys who perform services in connection with any such action shall be recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by PG&E's Law Department.

4.3 Notices. Any notice, approval or other communication under this Assignment and Consent shall be in writing and shall be given by registered or certified mail or by a nationally recognized overnight courier, such as FedEx or Airborne Express, or delivered personally to the party's mailing address set forth below:

ASSIGNOR: Lynden B. Durkee
5056 11th Avenue
Sacramento, CA 95820

ASSIGNEE: Hayden B. Durkee
5056 11th Avenue
Sacramento, CA 95820

TENANT: Timothy F. Durkee
615 Mayfair Avenue
South San Francisco, CA 94080-4526

PG&E: Pacific Gas And Electric Company
Attention: Land Agent
350 Salem Street
Chico, CA 95928
Tel. (530) 894-4256

With copy to:

(If by certified mail and/or telecopy)

Wendy T. Coleman, Esq.
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Tel. (415) 973-6067
Fax Number: (415) 973-0516

(If by personal delivery or overnight courier)

Wendy T. Coleman, Esq.
Pacific Gas and Electric Company
77 Beale Street, Mail Code B30A
San Francisco, CA 94105

Any party may change its mailing address at any time by giving written notice of such change to the other parties in the manner provided herein at least ten (10) days prior to the date such change is effective. All notices under this Assignment and Consent shall be deemed given upon the earlier of receipt or three (3) days after the date it was mailed as provided in this Section 4.3, if sent by registered or certified mail, or one (1) day after delivery to the overnight courier, or upon the date personal delivery is made; provided, however, that any refusal to accept delivery shall be deemed to constitute receipt.

4.4 Governing Law; Venue. This Lease Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California. PG&E and Lessee agree that the venue of any action, proceeding or counterclaim shall be in the County of San Francisco, California. The covenants of the parties contained in this section shall survive the expiration or termination of this Lease Agreement.

4.5 No Brokers. Assignor and Assignee represent and warrant to PG&E that no party is entitled to any brokerage commission, finder's fee or other commission or fee in connection with the execution of this Assignment and Consent. Assignor and Assignee agree, jointly and severally, to indemnify and hold PG&E harmless from and against any and all damage, loss, cost or expense including, without limitation, all attorneys' fees and disbursements incurred by reason of any claim of or liability to any broker or other person for commissions or other compensation or charges with respect to the negotiation, execution and delivery of this Assignment and Consent, and such obligations shall survive the expiration or sooner termination of the Lease.

4.6 Conflict. In the event of any conflict between the provisions of the Lease and this Assignment and Consent, the provisions of this Assignment and Consent shall govern.

4.7 Successors and Assigns. This Assignment and Consent shall be binding upon and inure to the benefit of the parties hereto and their respective executors, administrators, successors and assigns.

4.8 Counterparts. This Assignment and Consent may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one instrument. It shall not be necessary in making proof of this Assignment and Consent to account for more than one counterpart.

(no further text on this page)

IN WITNESS WHEREOF, the parties have executed this Assignment and Consent on the dates set forth below.

"PG&E"
PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation
By: *Loren Loo*
Loren Loo
Manager, Land Asset Management
Technical and Land Services

Date: 8/5/08

"Assignor"
Lynnen B. Durkee
Lynnen B. Durkee
Date: 7-27-08

"Assignee"
Hayden B. Durkee
Hayden B. Durkee
Date: 7-27-08

The undersigned hereby consents to and joins in the assignment of the Lease described in the foregoing Lease Assignment and Consent insofar as the interest of the undersigned in and to the Lease herein described is concerned.

Date: 7-27-08

Betty L. Kaylor
Betty L. Kaylor

Date: 7/25/08

Timothy F. Durkee
Timothy F. Durkee

Date: 7/22/08

Tobin A. Durkee
Tobin A. Durkee

Date: 7/17/08

Leslie Durkee Greathouse
Leslie Durkee Greathouse

<p>Area 6 Chico Land Service Office Operating Department: Hydro T. 27 N., R. 7 E., Sec. 31, SE4 of SW4 MDB&M FERC Lease Number: 803 PG&E Drawing Number: N/A LD of any affected documents: 2127-07-0523 LD of any Cross-referenced documents: N/A Type of Interest: 11L, 24</p>	<p>SBE Parcel Number: 135-32-003A, Pcl. 1 Order# 10212221 JCN: N/A County: Plumas Utility Notice Numbers: N/A Prepared By: JMC Checked By: Date: 7/8/2008 Revision Number: N/A</p>
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EXHIBIT "1" TO ASSIGNMENT AND CONSENT

LEASE

2127-07-0523

PACIFIC GAS AND ELECTRIC COMPANY
GROUND LEASE

This Ground Lease ("Lease") is dated as of July 20, 2006, for reference purposes only, by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("Landlord"), and BETTY L. KAYLOR, TIMOTHY F. DURKEE, TOBIN A. DURKEE, LESLIE DURKEE GREATHOUSE and LYNDEN B. DURKEE, an individual ("Tenant").

RECITALS

- A. Landlord is the owner of certain real property outlined by the heavy dashed line on the map attached hereto as Exhibit A and by this reference made a part hereof located in Plumas County, California, which land together with all easements and rights appurtenant thereto are sometimes collectively hereinafter referred to as the "Property";
- B. PG&E, as Licensor, and Betty L. Kaylor, Timothy F. Durkee, Tobin A. Durkee and Lynden B. Durkee, as Licensee, entered into a License Agreement ("License"), dated December 9, 1999 which granted permission for Licensee, as defined in the License, to occupy, use and maintain a certain existing recreational homesite located on the Property, and Tenant currently occupies the Property pursuant to the License;
- C. Tenant or Tenant's predecessor-in-interest has constructed certain improvements on the Property including a recreational home;
- D. The term of the License expired December 31, 2002, and Tenant has been in holdover with Landlord's consent since such expiration. Under the terms of the License, Landlord has the right to terminate the License at will. The parties now wish to terminate the License upon the Commencement Date, as defined in Section 2.(a), of this Lease; and,
- E. Tenant wishes to lease the portion of the Property which was previously the premises under the Prior Lease, for use as a recreational homesite, and Landlord is willing to lease to Tenant, subject to the terms and conditions set forth below, that portion of the Property.

A G R E E M E N T

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the parties hereby agree as follows:

1. SCOPE OF LEASE; USE.

(a) Lease of Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, on the terms and conditions stated herein, a portion of the Property consisting of approximately one (1) acre of land, as shown outlined by the heavy dashed line on the map attached hereto as Exhibit B and by this reference made a part hereof (the "Premises").

(b) Allowed Use Of Premises. Tenant shall use the Premises solely for a recreational home site, and for no other purpose (the "Allowed Use").

(c) Tenant Improvements. Landlord hereby consents to any and all existing improvements on the Premises as of the Commencement Date of this Lease (the "Tenant Improvements") unless Tenant has otherwise been previously notified in writing by Landlord, subject to any and all removal obligations set forth in this Lease and in the Rules and Regulations as defined in Section 14 below. The Tenant Improvements were constructed by Tenant or Tenant's predecessor-in-interest at their sole expense, and the Tenant Improvements are owned by Tenant and are not to be deemed a part of the real property for purposes of the Premises being leased by Landlord to Tenant.

2. TERM; SURRENDER.

(a) Term. This Lease shall become effective and the term of this Lease (the "Term") shall commence on ~~November 1, 2006~~ ^{October} 1, 2006 (the "Commencement Date"). The Term shall expire on July 31, 2010 (the "Expiration Date"). Upon the Commencement Date, the Lease shall terminate, provided, however, that any waivers of claims or rights and the releases and the obligations of Tenant under the Lease to indemnify, protect, defend and hold harmless Landlord shall survive the expiration or earlier termination of the Lease, and so shall all other obligations or agreements of Landlord or Tenant thereunder which by their terms survive the expiration or earlier termination of the Lease.

(b) Surrender. On or before the expiration or earlier termination of this Lease, Tenant shall, at its sole cost and expense, remove from the Premises all personal property, vehicles, debris and waste material resulting from Tenant's activities or the activities of its contractors or invitees, and restore the Premises as nearly as possible to the condition that existed prior to Tenant's entry upon the Premises. UPON EXPIRATION OR TERMINATION OF THIS LEASE, IF REQUESTED BY LANDLORD, TENANT SHALL REMOVE ANY TENANT IMPROVEMENTS OR ALTERATIONS CONSTRUCTED OR INSTALLED BY TENANT OR TENANT'S PREDECESSOR-IN-INTEREST (WHETHER CONSTRUCTED OR INSTALLED PRIOR TO OR DURING THE TERM OF THIS LEASE) AT TENANT'S SOLE COST AND EXPENSE, INCLUDING, BUT NOT LIMITED TO ANY AND ALL BUILDINGS AND HOMES AND SHALL REPAIR ANY DAMAGE CAUSED BY SUCH REMOVAL. TO THE EXTENT TENANT FAILS TO PERFORM THE OBLIGATIONS UNDER THIS SECTION, LANDLORD MAY, BUT NEED NOT, REMOVE OR DEMOLISH ALL TENANT IMPROVEMENTS AND ALTERATIONS, AND RESTORE THE PREMISES TO SUCH CONDITION AND TENANT SHALL PAY THE COST THEREOF WITHIN SIXTY (60) DAYS OF RECEIPT OF AN INVOICE THEREFOR. (TENANT TO INITIAL HERE )

(c) Holding Over. Tenant shall have no right to holdover possession of the Premises after the expiration or termination of this Lease without Landlord's prior written consent, which Landlord may withhold in its sole and absolute discretion. If Tenant remains in possession of the Premises after the expiration or other termination of the Term of this Lease, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant only, at a monthly rental equal to one-twelfth (1/12th) of the annual Base Rent in effect immediately prior to such holdover. Tenant shall also pay Landlord all of Landlord's direct and consequential damages resulting from Tenant's holdover. Tenant shall defend, protect, indemnify and hold the Landlord harmless from and against any and all Claims resulting from failure to surrender possession upon the Expiration Date or sooner termination of the Term. No acceptance of Rent or other payments by Landlord under this holdover provision shall operate as a waiver of Landlord's right to regain possession or any other of Landlord's remedies.

3. TERMINATION RIGHTS.

IN ADDITION TO ANY AND ALL TERMINATION RIGHTS SET FORTH IN THIS LEASE, LANDLORD MAY TERMINATE THIS LEASE IF LANDLORD IN ITS REASONABLE JUDGEMENT FINDS IT NECESSARY TO OBTAIN THE PREMISES IN ORDER TO USE THE PROPERTY FOR UTILITY PURPOSES, UPON ONE HUNDRED AND EIGHTY (180) DAYS WRITTEN NOTICE TO TENANT. SUCH RIGHT WILL ONLY BE EXERCISED IN THE EVENT THAT LANDLORD'S PROPOSED USE FOR UTILITY PURPOSES IS INCONSISTENT WITH TENANT'S CONTINUED OCCUPANCY. IN THE EVENT THAT LANDLORD TERMINATES THIS LEASE PURSUANT TO THIS SECTION, TENANT SHALL BE ENTITLED TO A REFUND OF ANY RENT ALLOCABLE TO THE PERIOD AFTER THE DATE THAT TENANT VACATES THE PROPERTY. TENANT WAIVES ANY RELOCATION ASSISTANCE PURSUANT TO SECTION 7260 ET SEQ. OF THE GOVERNMENT CODE OR THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT, 42 U.S.C. §§ 4601 ET SEQ., OR UNDER ANY SIMILAR LAW, STATUTE OR ORDINANCE NOW OR HEREAFTER IN EFFECT. TENANT SHALL DELIVER POSSESSION OF THE PREMISES NO LATER THAN UPON ONE HUNDRED AND EIGHTY (180) DAYS FROM NOTICE IN THE MANNER REQUIRED BY SECTION 2(b) OF THIS LEASE. (TENANT TO INITIAL HERE )

4. ALTERATIONS; TENANT IMPROVEMENT PLAN.

(a) Tenant shall make no changes, additions, improvements or alterations to the Premises or any part thereof ("Alterations"), including, but not limited to, the remodeling, expansion or rebuilding of a recreational home, or any installation or addition to any septic system, without in each instance submitting plans and specifications to Landlord and obtaining Landlord's prior written consent to such Alterations, which consent may be withheld at the Landlord's sole and absolute discretion. Any such approved Alterations shall be made by Tenant in a good and workmanlike manner, in compliance with the Rules and Regulations as set forth in Section 14, at Tenant's sole cost and expense. Prior to the commencing construction of any Alterations, Tenant shall submit to the Landlord, for Landlord's approval in Landlord's absolute and sole discretion, a plan for any Alterations ("Tenant Improvement Plan") which shall include the construction plans and specifications. Any amendments to the Tenant Improvement Plan shall be subject to the Landlord's review and approval, which approval shall be at Landlord's sole and absolute discretion. The Landlord's review and approval of the Tenant Improvement Plan and any amendments thereto shall not create any liability of any kind on the part of the Landlord, or constitute a representation on the part of the Landlord or any person consulted by the Landlord in connection with such review and approval regarding such documents.

(b) Tenant shall have the right to process all applications, documents and other instruments or entitlements necessary or appropriate for the use of the Premises for the Allowed Use or for any Alterations to be constructed pursuant to the Tenant Improvement Plan. The Landlord shall reasonably cooperate with the processing of such items provided that the Landlord shall not be required to expend any sums, nor assume any liability, nor agree to any invasive testing, with respect thereto. Tenant shall proceed with such processing and the construction of the Alterations in a diligent manner at its sole cost and expense in accordance with the terms of this Lease, the Tenant Improvement Plan and in compliance with all Applicable Laws, as defined in Section 9.2 below.

5. RENT.

(a) Base Rent. Upon the execution and delivery of this Lease by Tenant, and on each anniversary of the Commencement Date during the Term of this Lease, Tenant shall pay to

the Landlord, at the address set forth below or at such other place as the Landlord shall designate in writing, annual base rent as set forth below (the "Base Rent"), without deduction, offset or abatement. Base Rent and all sums of money required to be paid by Tenant to the Landlord under this Lease shall be considered rent ("Rent").

October 1, 2006 through September 30, 2007 \$1,175.00

October 1, 2007 through September 30, 2008 \$1,175.00

October 1, 2008 through September 30, 2009 \$1,175.00

October 1, 2009 through July 31, 2010 \$881.25

(b) Landlord's address for payment of Rent is as follows:

Pacific Gas and Electric Company
Attn. Land Agent
350 Salem Street
Chico, CA 95928

(c) Expenses. Tenant shall pay directly all expenses for insurance, repair, maintenance and operation of the Premises and all other obligations of every kind and nature whatsoever relating to the use and operation of the Premises arising or becoming due during or with respect to the Term of this Lease.

(d) Late Fee. In addition to all other rights and remedies provided the Landlord, if Tenant fails to pay any installment of Rent or other charge to be paid by Tenant pursuant to this Lease within thirty (30) days after the same becomes due and payable, then Tenant shall pay a late charge of ten percent (10%) of the amount of such payment.

6. USE OF ELECTRICITY AND GAS.

During the Term, Tenant shall pay or cause to be paid prior to delinquency all charges for light, power, water, gas, heat, sewer, telephone and all other public or private utility services at any time rendered to or in connection with the Premises, or any part thereof, and shall comply with all contracts relating to such services. The procurement, construction and installation of any and all utilities necessary for Tenant's Allowed Use of the Premises shall be solely at Tenant's expense, and Landlord shall have no responsibility to obtain or continue any utility service to the Premises. Any such additional utility installation must be approved by Landlord as part of the Tenant Improvement Plans.

7. DEFAULT; TERMINATION.

7.1 Events of Default - Tenant.

(a) The occurrence of any one or more of the following events during the Term (each, individually, an "Event of Default" and collectively, "Events of Default") shall constitute a breach of this Lease by Tenant, in which event the Landlord may exercise the rights set forth in this Lease or as otherwise provided at law or in equity: (i) Tenant shall fail to pay any Base Rent or any other amount payable by Tenant under this Lease, or default in the performance of or compliance with any of the other covenants, agreements, terms or conditions of this Lease to be performed or observed by

Tenant, after thirty (30) days written notice from the Landlord specifying such failure; or (ii) Tenant assigns, encumbers, Leases or sublets Tenant's interest in this Lease or the Tenant Improvements or Alterations in violation of Section 18, which will be deemed to be an incurable breach.

(b) Tenant acknowledges and agrees that the notices required to be given by the Landlord shall, in each case, be in lieu of, and not in addition to, any notice required under Section 1161 of the California Code of Civil Procedure, and shall be deemed to satisfy the requirement, if any, that notice be given pursuant to such section.

7.2 Termination of this Lease by the Landlord. Upon the occurrence of any Event of Default, the Landlord shall have the option to pursue any one or more of the following remedies without further notice or demand whatsoever:

(a) In any notice given pursuant to Section 7.1(a) above, the Landlord in its sole discretion may elect to declare a forfeiture of this Lease, and provided that the Landlord's notice states such an election, Tenant's right to possession shall terminate and this Lease shall terminate, unless on or before the date specified in such notice all arrears of Rent and all other sums payable by Tenant under this Lease, and all costs and expenses incurred by or on behalf of the Landlord hereunder, including attorneys' fees incurred in connection with such defaults, shall have been paid by Tenant and all other breaches of this Lease by Tenant at the time existing shall have been fully remedied to the satisfaction of the Landlord. Upon such termination, the Landlord shall have the right to recover from Tenant damages in the amounts set forth in Civil Code Section 1951.2, including, without limitation, the worth at the time of award of the amount by which all unpaid Rent for the balance of the Term of this Lease after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided.

(b) Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as the Landlord does not terminate Tenant's right to possession, and the Landlord shall have the right to enforce all its rights and remedies under this Lease, including the remedies described in California Civil Code Section 1951.4.

7.3 Cumulative Remedies. All of the remedies afforded to Tenant and the Landlord under this Lease shall be in addition to all other remedies such parties may have at law or in equity. Waiver by Tenant or the Landlord of any breach of any obligation by the other party hereunder shall be effective only if it is in writing, and shall not be deemed a waiver of any other breach, or any subsequent breach of the same obligation. The Landlord's acceptance of payment by Tenant shall not constitute a waiver of any breach by Tenant, and if the acceptance occurs after the Landlord's notice to Tenant, or termination of the Lease or of Tenant's right to possession, the acceptance shall not affect such notice or termination. Acceptance of payment by the Landlord after commencement of a legal proceeding or final judgment shall not affect such proceeding or judgment.

8. **CONDITION OF THE PROPERTY.**

Tenant agrees that no representations or warranties by or on behalf of the Landlord have been made to Tenant as to the condition or legal compliance of the Property, including, without limitation, the Premises, including, but not limited to, the environmental condition of the Property or the existence of Hazardous Materials (as defined in Section 11.4 below) in, on or underneath the Property or compliance with any and all subdivision laws. Tenant acknowledges that there may be a presence of Hazardous Materials, fuel or chemical storage tanks, electric and magnetic fields or other substances, material, products or conditions on or under the Property, hereinafter referred to as "potential environmental

hazards." Tenant has been in possession of the Premises under the Lease and accepts the Premises in the condition existing as of the Commencement Date of this Lease, "as is", but is strongly advised by the Landlord to consider, if it has not already done so, the condition and suitability of all aspects of the Premises and all matters affecting its suitability for the Allowed Use, including, but not limited to, the potential environmental hazards listed herein; provided that Tenant shall not conduct any invasive testing on the Premises without the Landlord's prior written consent, which Landlord may withhold in Landlord's sole and absolute discretion.

9. TENANT'S CONDUCT ON PREMISES.

9.1 Tenant's Sole Risk. Tenant shall use the Premises at its sole risk and expense. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage and securing the safety of all persons using the Premises.

9.2 Compliance with Laws. Tenant shall comply with all local, state, and federal laws, regulations, rules and orders which pertain or are applicable to the condition of the Premises or the use, occupancy or activities of Tenant hereunder ("Applicable Laws"). Tenant shall not allow any disorderly conduct, accumulated debris, waste or nuisance on the Property, including, without limitation, the Premises. Under no circumstances shall Tenant or Tenant's contractors or invitees generate, store, use, release, discharge or dispose of any Hazardous Materials, as defined in Section 11.4 below, on, under or about the Property. Landlord shall have the right to enter the Premises at any time to inspect the Premises to determine Tenant's compliance with Applicable Laws and the terms and conditions of this Lease. Tenant's use of the Premises shall also be governed by any applicable Federal Energy Regulator Commission ("FERC") orders or directives and any applicable terms and conditions of the FERC Lease for Project No. 803, including, without limitation, the requirement that Tenant's use be compatible with overall project recreational use.

9.3 No Interference. Tenant shall not in any way interfere or permit any interference with the Landlord's use of its Property. Interference shall include, but not be limited to, any activity by Tenant that is inconsistent with Landlord's FERC Lease obligations, places any of the Landlord's gas or electric facilities in violation of any of the provisions of General Order Nos. 95 (Overhead Electric), 112E (Gas), or 128 (Underground Electric) of the California Public Utilities Commission ("CPUC") or any other applicable provisions of the laws and regulations of the State of California or other governmental agencies (whether federal or state) under which the operations of utility facilities are controlled or regulated. Tenant shall not erect, handle, or operate any tools, machinery, apparatus, equipment, or materials closer to any of the Landlord's high-voltage electric conductors than the minimum clearances set forth in the High-Voltage Electrical Safety Orders of the California Division of Industrial Safety, which minimum clearances are incorporated herein by reference, but in no event closer than ten (10) feet to any energized electric conductors or appliances. Tenant shall not drill, bore, or excavate without the prior written consent of Landlord, which consent may be withheld at Landlord's sole and absolute discretion.

9.4 Water Use. Tenant may develop and use water for Tenant's domestic use only from the following sources: (i) such existing springs or wells located on the Premises, (ii) such other water source approved in writing by Landlord, which permission shall be at Landlord's sole and absolute discretion, or (iii) such sources as may be authorized in the Rules and Regulations, as defined below in Section 14. Landlord makes no representation or warranty in regard to the quality or the quantity of water, and Tenant uses such water at Tenant's own risk. Tenant also waives and releases Landlord from any and all liability for damage to Tenant's water supply which may occur while performing work in conjunction with Landlord's business.

9.5 Sewage Facilities. Tenant shall dispose of all sewage according to Applicable Laws and by one of the following methods: (i) by use of such existing septic systems or holding tanks currently located on the Premises, (ii) by such other manner as approved in writing by Landlord, which permission shall be at Landlord's sole and absolute discretion, or (iii) by such manner as may be authorized in the Rules and Regulations, as defined below in Section 14. Landlord reserves the right to require Tenant to alter the method of sewage disposal at Tenant's sole cost, when necessary in connection with Landlord's operations or to protect the Property, the environment, or human health and safety. Landlord makes no representation as to the continued ability to dispose of sewage at the Premises, or the cost thereof, and Tenant also waives and releases Landlord from all liability for all claims and expenses that Tenant may incur in regard to disposal of sewage.

10. PERMITS, AUTHORIZATIONS AND NOTIFICATIONS; REIMBURSEMENT BY TENANT FOR GOVERNMENT-MANDATED IMPROVEMENTS.

10.1 Governmental Approvals and Notifications. Tenant shall obtain and maintain, at no cost to the Landlord, all permits, approvals and authorizations from all local, state, and federal governmental or permitting authorities and shall provide all notifications to all such authorities as required for Tenant's Allowed Use or the Tenant Improvements.

10.2 Land Use Entitlements. Prior to submission to the Planning Department or any other governmental entity or agency, Tenant shall submit all applications to Landlord for Landlord's review and written consent, which consent may be withheld at Landlord's sole and absolute discretion. Thereafter, Tenant shall also obtain Landlord's written consent, which consent may be withheld at Landlord's sole and absolute discretion, to any conditions imposed by any governmental entity related thereto.

10.3 Reimbursement. In the event that any local, state or federal governmental entity, agency or regulatory authority requires Landlord to construct or install certain improvements in connection with the use of the Property for residential purposes, including, but not limited to, roads, grading, erosion control, sewage systems, landscaping, utilities or street lights, either to comply with Applicable Laws or as a condition to the issuance of any land use entitlements, permits, approvals or authorizations in relation to the Property, Tenant shall reimburse Landlord for the reasonable costs of such improvements, or for assessments related thereto, in an amount reasonably determined by Landlord by equitably allocating the costs between the lots benefited by such improvements or among all the lots if the improvements benefit the Property as a whole. Tenant shall pay such reimbursement to Landlord within thirty (30) days of receipt of an invoice therefor.

11. INDEMNIFICATION; WAIVER AND RELEASE.

11.1 Indemnification Generally. Tenant shall, to the maximum extent permitted by law, protect, indemnify, hold harmless and defend the Landlord, its affiliates, subsidiaries, parent company, officers, managers, directors, agents, and employees (the Landlord and such other parties are, collectively, the "Indemnitees"), from and against all claims, demands, losses, damages, costs, expenses (including reasonable attorneys' and consultants' fees and expenses) and liability (legal, contractual or otherwise) (collectively, "Claims"), which arise from or are in any way connected with any (a) injury to or death of persons, including, but not limited to, employees of the Landlord or Tenant; (b) injury to property or other interests of the Landlord, Tenant, or any third party; (c) violation of Applicable Laws, including, but not limited to, Environmental Laws (as defined in Section 11.4 below); and (d) strict liability imposed by any law or regulation; so long as such Claims arise from or are in any way connected with Tenant's use of the Property, including, without limitation, the Premises, or its performance of, or

failure to perform, this Lease, excepting only Claims to the extent arising from the gross negligence or willful misconduct of the Landlord, its officers, managers, employees or agents. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

11.2 Environmental Claims. Tenant acknowledges that any Claims that are caused by or arise from the presence, movement, use, release, emission, discharge, or spill of any Hazardous Materials, as defined below in Section 11.4, and that are caused by or arise from Tenant's use or occupancy of the Property, including, without limitation, the exacerbation by Tenant of environmental conditions on the Property as of the Commencement Date, are expressly within the scope of the foregoing indemnity. Likewise, the costs, expenses, and legal liability for environmental investigations, monitoring, containment, abatement, removal, repair, cleanup, restoration, remedial work, penalties, and fines arising from strict liability or the violation of any local, state, or federal law or regulation, attorney's fees, disbursements, and other response costs incurred as a result of such presence, movement, use, releases or spills are expressly within the scope of the foregoing indemnity.

11.3 Defense Requirements. Tenant shall, at the Landlord's request, defend, with counsel approved in writing by the Landlord, any action, claim, or suit asserting a claim which is covered by any indemnity provided for in this Lease. Tenant shall pay all costs and expenses that may be incurred by the Landlord in enforcing such indemnity, including reasonable attorney's fees of both in-house and outside counsel.

11.4 Definition of Hazardous Materials. For purposes of this Lease, the term "Hazardous Materials" means (a) petroleum or petroleum products, natural or synthetic gas, asbestos in any form, urea formaldehyde foam insulation, radon gas, polychlorinated biphenyls (PCB), special nuclear or byproduct material, lead based paint and other lead contamination; (b) any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials (collectively, "Environmental Laws"); and (c) any other substance the exposure of which is regulated by any governmental authority.

11.5 Tenant's Waiver and Release. The Landlord shall not be liable to Tenant for, and Tenant hereby waives and releases the Landlord and its affiliates and officers from, any and all liability, whether in contract, tort or on any other basis, for any injury, damage or loss to Tenant, resulting from or attributable to an occurrence on, the condition of, or the use or occupancy of the Property, including, without limitation, the Premises, except to the extent that such injury, damage, or loss was proximately caused by the Landlord's gross negligence or willful misconduct and except as otherwise expressly provided in this Lease.

12. INSURANCE.

Tenant shall maintain in effect during the Term of this Lease insurance as set forth on Exhibit C attached hereto and incorporated herein. Such policies shall be in a form approved by Landlord and shall contain enforceable waiver of subrogation endorsements, if applicable, as requested by Landlord.

13. TAXES.

Landlord shall pay all real property taxes due and payable with respect to the Premises, and Tenant shall not be responsible for the separate reimbursement in addition to Base Rent of Landlord's expenses for payment of such real estate taxes, except as set forth in this Section 13. Tenant shall pay directly to the taxing authority any tax, assessment, lien, Lease fee, Lease tax, tax or excise on rent, or any other levy, charge or expense, together with any statutory interest thereon, imposed or required at any time by any federal, state, county or municipal authority having jurisdiction, or any political subdivision thereof, on any of Tenant's personal property, Tenant Improvements, Alterations, buildings or improvements installed on the Premises ("Taxes"). If Landlord is assessed for such Taxes as part of Landlord's real property tax bill or otherwise, Landlord shall have the right, but not the obligation, to pay such Taxes, and in that event, Tenant shall reimburse Landlord for the portion of such expense attributable to Tenant's personal property, Tenant Improvements, Alterations, buildings or improvements within thirty (30) days of receipt of an invoice therefor. Such reimbursement shall be considered Rent for purposes of this Lease.

14. MAINTENANCE; ACCESS.

Throughout the Term, Tenant shall maintain the Premises, the Tenant Improvements and all Alterations in good and clean repair and condition, and Tenant shall promptly remove all rubbish and waste from the Premises. Tenant shall comply with all rules and regulations promulgated by Landlord, as such rules and regulations may be changed from time to time, regarding the use, maintenance and occupancy of the Premises or the Property ("Rules and Regulations"). A copy of the current Rules and Regulations are attached hereto as Exhibit D and by this reference made a part hereof. Landlord has no obligation to maintain any portion of the Property or any improvements of any kind or nature whatsoever, including, but not limited to any and all roads, and Landlord reserves the right to close any and all roads on the Property at any time when necessary for Landlord's operations or to protect the roads, the environment, or human health and safety, at Landlord's sole and absolute discretion, despite the fact that such closure may prevent Tenant from accessing or departing the Premises. Furthermore, Landlord has no responsibility whatsoever to assure that there are roads available for ingress or egress to the Premises, and Landlord shall not be responsible for clearing roads on the Property of snow, fallen trees or debris or maintaining the surface of any roads that may provide ingress and egress to the Premises. Subject to the limitations set forth above in this Section 14, Tenant is hereby granted permission by Landlord to use the existing roads on the Property for the sole purpose of ingress and egress to the Premises, in "as is" condition, weather permitting, at Tenant's sole risk.

15. APPLICABLE LAW.

This Lease shall be construed and interpreted in accordance with the laws of the State of California, excluding any choice of law rules which may direct the application of the laws of another jurisdiction.

16. LIENS.

In the event that any liens or stop notices are filed or placed on the Property as a result of or in connection with the furnishing of materials or services by anyone to Tenant, or otherwise in connection with this Lease granted hereunder or the use of the Premises by Tenant. Tenant shall immediately take all action necessary to obtain the release of all such liens and stop notices, hold the Landlord harmless from and pay the Landlord for all costs incurred and amounts paid to obtain any such release.

17. **NOTICES.**

All notices to be given under this Lease shall be in writing and either: (a) sent by personal delivery in which case notice shall be deemed delivered upon actual receipt, or (b) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered upon actual receipt or (c) sent by a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with this courier, or (d) sent by telecopy or similar means, if a copy of the notice is also sent by United States Certified Mail, in which case notice shall be deemed delivered upon receipt of the notice sent by United States Certified Mail, as follows:

Landlord: Pacific Gas and Electric Company
Land Agent
350 Salem Street
Chico, CA 95928
Phone No: (530) 896-4256
Fax Number: (530) 896-4254

With copy to:

(If by certified mail and/or telecopy)

Wendy T. Coleman, Esq.
Pacific Gas and Electric Company
P.O. Box 7442
San Francisco, CA 94120
Phone No. (415) 973-6067
Fax Number: (415) 973-0516

(If by personal delivery or overnight courier)

Wendy T. Coleman, Esq.
Pacific Gas and Electric Company
77 Beale Street, Mail Code B30A
San Francisco, CA 94105

Tenant: Lynden Durkee
5056 11th Avenue
Sacramento, CA 95820
Phone No. (916) 731-8281

These addresses may be changed by written notice to the other party provided that no notice of a change of address shall be effective until actual receipt by the parties of the notice.

18. **ASSIGNMENT AND SUBLETTING.**

Tenant is prohibited from granting or allowing any lien or encumbrance, by operation of law or otherwise, upon any part of Tenant's interest in this Lease. Any attempt to grant such lien or encumbrance shall be void. Tenant shall not, without the prior consent of Landlord in each case, which consent shall not be unreasonably withheld, make or allow any assignment,

subletting, license or transfer, by operation of law or otherwise, of any part of Tenant's interest in this Lease or of the Tenant Improvements. It shall be reasonable for Landlord to withhold its consent to (i) any assignment of this Lease that is not associated with a sale of the Tenant Improvements, or (ii) any assignment, subletting, license or transfer of this Lease that requires CPUC approval, as determined by Landlord in Landlord's sole and absolute discretion. Tenant shall remain primarily liable for all of its obligations under this Lease, notwithstanding any assignment, sublease, license or transfer. No consent granted by Landlord shall be deemed to be a consent to any subsequent assignment, sublease, license or transfer. Tenant shall pay all of Landlord's attorneys' fees and other expenses incurred in connection with any consent requested by Tenant or in reviewing any proposed assignment, subletting, license or transfer. Any assignment, subletting, license or transfer without Landlord's prior written consent shall be void.

19. CONDEMNATION.

19.1 Condemnation of the Premises. In the event of a condemnation of any part of the Premises, this Lease shall terminate as to the part so taken without any reduction in Base Rent. In the event of a condemnation of all of the Premises, this Lease shall automatically terminate.

19.2 Condemnation Award. Landlord shall be entitled to, and Tenant hereby waives and releases any claim for, any and all compensation, damages, income, rent, awards, or any interest therein whatsoever which may be paid or made in connection therewith, except that Tenant may receive any and all proceeds related to the Tenant Improvements or Alterations installed by Tenant.

20. DAMAGE OR DESTRUCTION; FLOODING.

If the Premises, the Tenant Improvements, or any portion thereof, are damaged or destroyed by the elements, fire or other casualty, this Lease shall not terminate and neither the Landlord nor Tenant shall be obligated to repair, restore, or rebuild all or any portion of the Premises, or any Tenant Improvements so damaged or destroyed. Tenant, however, may, subject to the Landlord's approval of its proposed restoration plan, which approval shall not be unreasonably withheld, elect to repair, restore or rebuild all or any portion of the Premises so damaged or destroyed. Tenant hereby indemnifies Landlord for any claim made by any third party who may have stored personal property at the Premises. The construction of the Tenant Improvements, any Alterations, and any and all other improvements and the storage of personal property on the Premises is at Tenant's sole risk with full knowledge of the possibility of damage or destruction due to natural causes or due to the periodic fluctuation of the water level of the North Fork of the Feather River by Landlord.

21. EXCULPATION.

Notwithstanding anything to the contrary provided in this Lease, neither the Landlord nor any of the other Indemnitees, nor their successors, assigns, agents, or any mortgagee in possession shall have any personal liability with respect to any provisions of this Lease and, if the Landlord is in breach or default with respect to its obligations or otherwise, the Landlord's liability shall be limited to the value of the Landlord's interest in the Premises for the satisfaction of Tenant's remedies.

22. CPUC APPROVAL.

This Lease and Tenant's use of the Premises is made subject to all the provisions of such CPUC Approval, as more particularly set forth in CPUC Decision D-04-07-021 (Application No. A-03-05-012), in like manner as though said provisions were set forth in full herein.

23. **VENUE.**

Landlord and Tenant agree that the venue of any action, proceeding or counterclaim brought by either party against the other on any matter whatsoever arising out of or in any way connected with this Lease, including any claim of injury or damage, shall be in the County of San Francisco, California. The covenants of the parties contained in this section shall survive the expiration or termination of this Lease.

24. **ATTORNEYS' FEE CLAUSE.**

If either party files any action or brings any proceeding against the other arising from or related to this Lease, the prevailing party shall be entitled to recover from the other party as an element of its costs of suit and not as damages, reasonable attorneys' fees (of both in-house and outside counsel), costs and expenses incurred in the action or proceeding, including any appeal thereof. For purposes hereof, the reasonable fees of Landlord's in-house attorneys who perform services in connection with any such action or proceeding are recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter of the law, in law firms in the City and County of San Francisco with approximately the same number of attorneys as are employed by Landlord's law department.

25. **EXECUTION.**

The parties and the individuals executing this Lease on behalf of the parties, each represent, by executing this Lease, that he or she is duly authorized to do so and to bind the respective party to its terms.

26. **BROKERS.**

Tenant represents to Landlord that Tenant has not dealt with any real estate broker with respect to this Lease, and no broker is in any way entitled to any broker's fee or other payment in connection with this Lease. Tenant shall indemnify and defend Landlord against any Claims by any broker or third party for any payment of any kind in connection with this Lease.

27. **ENTIRE LEASE.**

This Lease, together with any written modifications or amendments to this Lease hereafter entered into, shall constitute the entire agreement between the parties relative to the subject matter hereof, and shall supersede any prior Lease or understanding, if any, whether written or oral, which Tenant may have had relating to the subject matter hereof with the Landlord. Estoppel Certificates.

Within ten (10) days after receipt of a request therefor, Tenant shall deliver to Landlord a written statement acknowledging the Commencement Date and the Expiration Date of this Lease, that this Lease is in full force and effect (if the same be true), that this Lease has not been modified (or if it has, stating such modifications), and providing any other pertinent information as to which the requesting party might reasonably inquire.

28. **SUBORDINATION.**

This Lease shall be subordinate to any present or future ground lease or mortgage respecting the Property, and any amendments to such ground lease or mortgage, at the election of the ground lessor or mortgagee as the case may be, effected by notice to Tenant in the manner provided in this Lease. The subordination shall be effective upon such notice, but at the request of Landlord or ground lessor or mortgagee, Tenant shall within ten (10) days of the request, execute and deliver to the requesting party any reasonable documents provided to evidence the subordination. Any mortgagee has the right, at its sole option, to subordinate its mortgage to the terms of this Lease, without notice to, nor the consent of, Tenant.

29. MISCELLANEOUS.

Time is of the essence with respect to each and every provision of this Lease. If any provision of this Lease is determined to be invalid, illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable. This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The waivers of claims or rights, the releases and the obligations of Tenant under this Lease to indemnify, protect, defend and hold harmless Landlord shall survive the expiration or earlier termination of this Lease, and so shall all other obligations or agreements of Landlord or Tenant hereunder which by their terms survive the expiration or earlier termination of this Lease. Subject to the limits on Tenant's assignment contained in this Lease, the provisions of this Lease shall be binding upon and inure to the benefit of all successors and assigns of Landlord and Tenant. Tenant has had the opportunity to review the provisions of this Lease and to be represented in regard thereto by counsel of Tenant's choosing. So long as Tenant shall perform all of its obligations under this Lease, Tenant shall enjoy peaceful and quiet possession of the Premises against any party claiming through the Landlord, subject to all of the terms of this Lease.

30. EXHIBITS.

The following Exhibits attached to this Lease are incorporated herein by this reference:

Exhibit A	Map of the Property
Exhibit B	Map of the Premises
Exhibit C	Insurance Requirements
Exhibit D	Rules and Regulations

(No further text on this page)

The parties have read this Lease, understand it and agree to be bound by its terms.

"Landlord"

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

Dated: 8/29, 2006

By: Karen D. Cochran
Karen D. Cochran,
Manager, Corporate Real Estate

"Tenant"

Dated: Aug. 4, 2006

By: Betty L. Kaylor
Betty L. Kaylor

Dated: August 2, 2006

By: Timothy F. Durkee
Timothy F. Durkee

Dated: August 3, 2006

By: Tobin A. Durkee
Tobin A. Durkee

Dated: July 30th, 2006

By: Leslie Durkee
Leslie Durkee Greathouse

Dated: Aug. 9, 2006

By: Lynden B. Durkee
Lynden B. Durkee

Note: Tenant also to initial Sections 2(b) and 3

Area 6
Chico Land Service Office
Operating Department: Hydro
T. 27 N., R. 7 E., Sec. 31, SE4 of SW4
MDB&M
FERC Lease Number: 803
PG&E Drawing Number: N/A
LD of any affected documents:
2127-07-0452
LD of any Cross-referenced documents: N/A
Type of Interest: 11L, 24

SBE Parcel Number: 135-32-003A, Pcl. 1
Order# 10212221
JCN: N/A
County: Plumas
Utility Notice Numbers: N/A
Prepared By: JMC
Checked By:
Date: 7/20/2006
Revision Number: N/A

EXHIBIT A
MAP OF PROPERTY

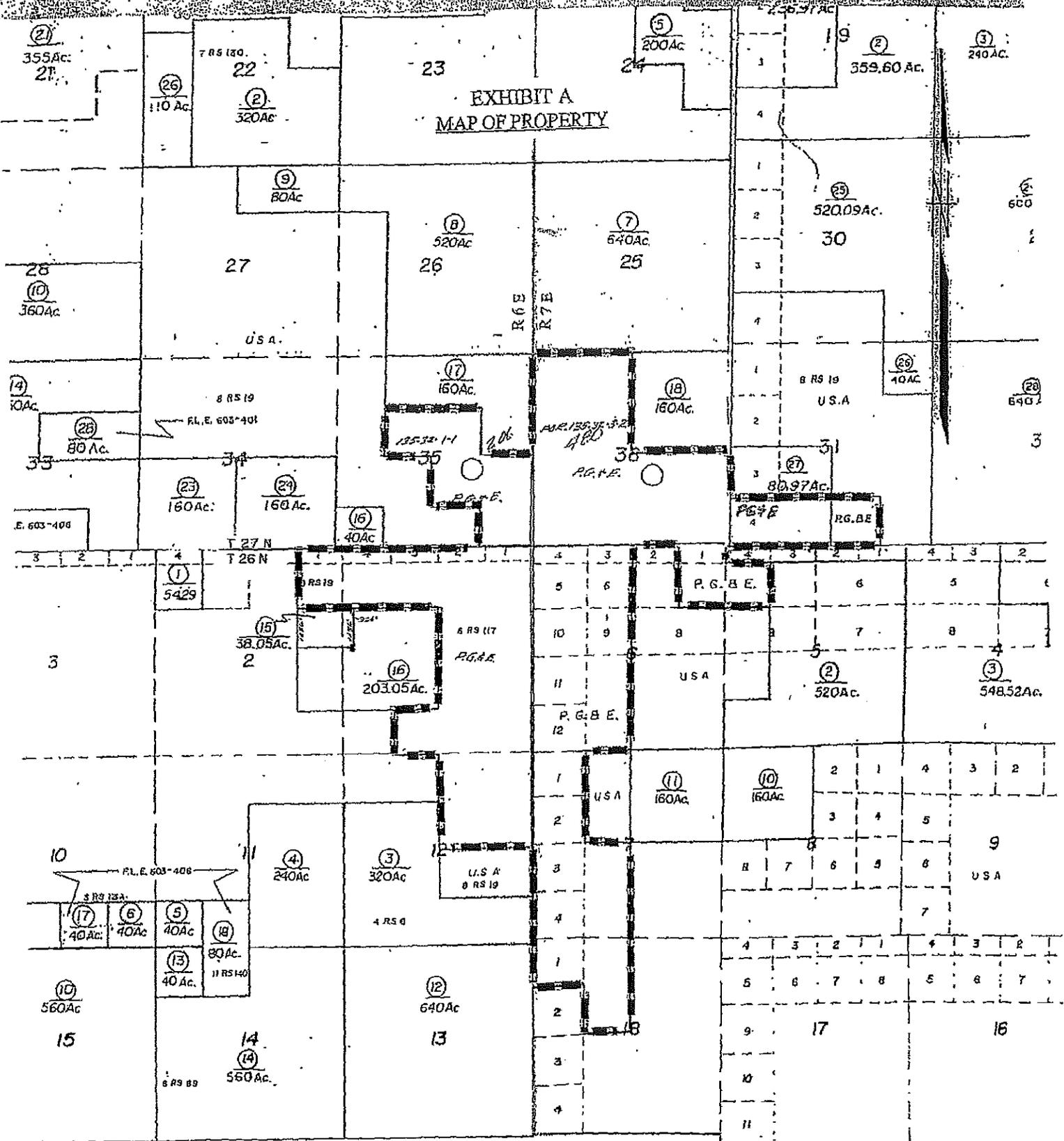


EXHIBIT B
MAP OF PREMISES

S. 1/2 SW 1/4 SEC. 31, T27N, R7E, M.D.M.

53-002

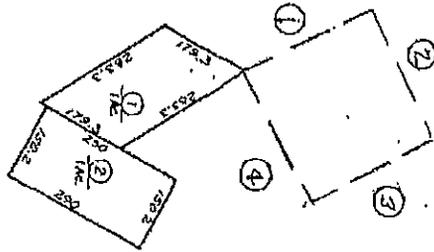
1-39

- ① N 23° 50' W 280.7'
- ② N 20° 10' E 280.7'
- ③ S 2° 50' E 280.7'
- ④ S 60° 10' W 280.7'

NOTE - Assessor's Block Numbers Shown in Ellipses
Assessor's Parcel Numbers Shown in Circles

Assessor's Map Bk. 1 Pg. 39
County of Plumas, Calif.
[Signature]

36 31
1 6
T27N
R7E
1/4 con.



Bk. 2

Bk. 2

Bk. 2

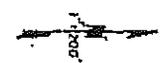


EXHIBIT C

INSURANCE REQUIREMENTS

Tenant shall maintain the following insurance coverage. The Landlord reserves the right to alter insurance requirements based on project scope. Tenant is also responsible for its agents and contractors' maintaining sufficient limits of the appropriate insurance coverage.

A. Homeowners' Liability

1. Homeowners' Liability coverage with respect to the Premises and the use, occupancy and activities by and on behalf of Tenant or Tenant's agents, contractors or invitees on or about the Premises, against claims for personal injury and property damage, and at least as broad as the Insurance Services Office ("ISO") Homeowners' Liability insurance occurrence policy form, or a substitute form providing equivalent coverage as approved by the Landlord. Limits shall not be less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, death and property damage. Defense costs are to be provided as an additional benefit and not included within the limits of liability of the Homeowners' Liability Insurance. If a watercraft is stored or used with respect to the Premises, ISO endorsement HO24751000, or equivalent as approved by Landlord, for watercraft liability shall be endorsed to the Homeowners' Liability Insurance policy.

2. Coverage shall: a) by "Additional Insured" endorsement add as additional insureds the Landlord, its directors, officers, agents and employees with respect to liability arising out of work Tenant's activities, including watercraft liability; if applicable, and b) be endorsed to specify that Tenant's insurance is primary and that any insurance or self-insurance maintained by the Landlord shall not contribute with it.

B. Personal Auto

1. Coverage shall be at least as broad as the Insurance Services Office (ISO) Business Auto Coverage form.
2. The limit shall not be less than Three Hundred Thousand Dollars (\$300,000) each accident for bodily injury and property damage.

C. Additional Insurance Provisions

1. Tenant shall furnish the Landlord with certificates of insurance and endorsements of all required insurance for Tenant prior to the Commencement Date of this Lease.
2. The documentation shall state that coverage shall not be canceled except after thirty (30) days prior written notice has been given to the Landlord.
3. The documentation must be signed by a person authorized by that insurer to bind coverage on its behalf and shall be submitted to:

Pacific Gas and Electric Company
Insurance Department
One Market, Spear Tower, Suite 2400
San Francisco, CA 94105

A copy of all such insurance documents shall be sent to Landlord's Insurance Department, with a copy to the Land Services Department, at the address set forth in Section 17 of the Lease.

4. The Landlord may inspect the original policies or require complete certified copies, at any time.
5. Upon request, Tenant shall furnish the Landlord the same evidence of insurance for its agents or contractors as the Landlord requires of Tenant.
6. All insurance required under this Lease shall be effected under valid enforceable policies issued by insurers of recognized responsibility and Leased to do business in the State of California.

EXHIBIT D

BELDEN, CARIBOU & HUMBUG VALLEY RULES AND REGULATIONS

7/1/2006

PACIFIC GAS AND ELECTRIC COMPANY

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OVERVIEW:

There are presently 7 leased lots with recreation residences on Pacific Gas and Electric Company ("PG&E") land in the Belden, Caribou and Humbug Valley areas of Plumas County, California. PG&E has adopted the following Rules and Regulations to govern the use of the Property and to promote and safeguard environmental, biological, and cultural resources.

MODIFICATIONS:

PG&E, at its sole discretion, reserves the right to amend or modify these Rules and Regulations at any time. Past practices, policies or occurrences have not established precedence, and no activity or improvements should be assumed acceptable based on past actions or prior approval by PG&E.

DEFINITIONS:

The real property located at Belden, Caribou and Humbug Valley, Plumas County, California, that is owned by PG&E, including, without limitation, the Premises, as defined below, together with all easements and rights appurtenant thereto, is referred to in these Rules and Regulations as the "Property."

The portion of the Property leased to Tenant in the Applicable Lease, as defined below, is referred to herein as the "Premises."

Unless otherwise defined in these Rules and Regulations, all terms shall have the meanings given them in the applicable lease to which these Rules and Regulations are attached as an exhibit (the "Applicable Lease"), as such Rules and Regulation may be amended from time to time.

I. RESIDENTIAL USE OF PG&E RECREATIONAL LOTS

1.1 Authorized Structures - Improvements:

To maintain long-term objectives for aesthetics, to control future growth and to protect the integrity of septic, water and general utility facilities in the Feather River Canyon, PG&E will authorize only one dwelling unit per lot. Secondary structures now existing such as sheds, guest houses and detached garages will be phased out over time, or attached to the dwelling unit through alteration of design, for instance by a trellis or a breezeway, provided that together the overall size of the dwelling unit and the attached secondary structure does not exceed the maximum allowable square footage limitations as set forth in Section 1.3 (Size Limits) below. Secondary structures may be required to be removed at the election of PG&E upon any of the following events:

- (1) A change in ownership of Tenant's residence;
- (2) Expiration/termination of Tenant's lease with PG&E, as more specifically set forth in the Applicable Lease;
- (3) A request for new construction, or alteration, addition or substantial repair of existing improvements;
- (4) Destruction of the structure; and,

(5) A change in PG&E's ownership of the Property.

Construction of additional sheds, guesthouses and detached garages will not be allowed. Reconstruction of existing structures or enlargement of existing structures may be allowed only with PG&E's prior written consent, which consent shall be at PG&E's sole and absolute discretion, according to the procedure set forth in these Rules and Regulations and the Applicable Lease.

1.2 Drawings And Plans:

In connection with any proposal for new construction, alteration, addition, or substantial repair of existing improvements, Tenant is required to submit design and layout plans to the authorized PG&E representative, and otherwise comply with all requirements set forth in the Applicable Lease. The design and layout plans should provide enough detail to allow an in depth analysis. Details including features such as roads, trees, rock outcrops, location of planned and existing improvements, proposed minor cuts and fills and delineation of lot boundaries should be shown as accurately as possible. The total size of the structure, individual floor spacing, foundation dimensions, etc., should always be indicated as accurately as possible.

Under no circumstances will new construction, alteration, addition, or substantial repair of existing improvements be authorized by PG&E unless the plans submitted demonstrate compliance with the maximum allowable square footage limitation standard and compatibility with the natural surroundings.

In the event that PG&E's designated representative grants PG&E's written approval-in-concept of the proposed new construction, alteration, addition, or substantial repair of existing improvements, Tenant will submit their construction plans to the applicable County Planning Department for final approval as required by law to insure compliance with all pertinent and applicable construction code standards. Tenant must also obtain required permits from other agencies (if applicable) before any project can start. The form of all permits and any conditions related thereto, shall be submitted to PG&E for approval, which approval may be withheld at PG&E's sole and absolute discretion. Copies of the final permits will be sent to PG&E for inclusion in its files.

1.3 Size Limits:

The habitable space is limited to a maximum of 900 square feet. Determination of habitable space will be at PG&E's sole discretion and will include the sum total of all separate structures that are habitable, including both floors of a two-story residence, and where they already exist, authorized guest cabins and garages with habitable space. Part of any agreement to increase the enclosed size of a residence will require agreement by Tenant to remove any guest cabin(s) and/or other outbuildings with habitable space in order to achieve the required 900 square foot maximum. PG&E, however, further reserves the right to limit the size of all structures and improvements to any square footage that PG&E deems, in its sole discretion, is suitable for the lot, based on lot size, location, terrain, vegetation and any other factors PG&E may consider.

A recreation residence may not be constructed higher than one story plus a loft if on level ground. In cases where excavation is allowed into a slope, the structure can be proposed and ultimately constructed as a two-story unit with a loft, but the lower story must constitute a non-habitable basement/garage for the primary purpose of storage with exterior access only. No dwelling or bath facilities shall be allowed within the lower story. The total height of the structure shall conform to county ordinances and not exceed 35 feet from the ground floor to the peak of the roof.

1.4 Decks And Appurtenances:

Decks and patios must be attached to the residence. Combined deck and/or patio size shall not exceed 250 square feet. Whenever possible, decks should be constructed only on one side of the residence. Decks and patio locations must be approved by PG&E's representative, at PG&E's sole and absolute discretion. If the area under a deck is used for storage it must be fully enclosed.

Appurtenances may be approved on a case-by-case basis, at PG&E's sole and absolute discretion, provided, however, PG&E will not approve any appurtenance that detracts from the natural surroundings (examples of prohibited appurtenances: hot tubs/spas, built-in BBQ's, solar panels, swing sets, gazebos, etc.)

1.5 Grading And Site Preparation:

In preparing a lot for construction, Tenant must be guided by the principle that the slope and configuration of the land should always be preserved in as near a natural condition as practical. Effort must be made to minimize cuts and fills and an attempt should be made to balance grading activities so as to avoid the removal or excessive importation of topsoil. PG&E will require a grading plan for review and the representative in charge shall make a determination as to whether proposed cuts and fills are beyond that which is necessary to accommodate the proposed construction. If PG&E grants its approval to the grading plan, Tenant will then submit grading plans to the applicable County Planning Department for final approval as required by law to insure compliance with all pertinent and applicable construction code standards.

1.6 Landscaping:

Landscaping is authorized only to restore natural conditions. Urban-like flower beds, lawns, ivy, and decorations such as birdbaths, statues and plastic flowers are not acceptable and will not be allowed. Walks should be gravel or native material. The use of non-native rocks or trees and other types of decorations foreign to the natural environment are not allowed. Removal of vegetation and trees solely to improve views and visibility is prohibited.

Attachments of any objects to trees by any means will not be allowed. Such objects include, but are not limited to: gates, yard lights, private power lines, benches, signs, clotheslines and wires.

1.7 Signage:

No signage shall be placed on the Property without PG&E's prior written consent to a drawing of such signage, which consent shall be at PG&E's sole and absolute discretion. No signs will be approved unless such signs are of a rustic design and consistent with the natural surroundings.

Residences will be allowed only one sign displaying the lot number, street address and Tenant's last name. If the sign on the residence is not easily visible from the main road, a second sign, on a maximum 36-inch high post at the driveway entrance, may be authorized; however, it must be approved by PG&E. Signs may not be nailed or otherwise attached to trees.

1.8 Water Quality Degradation:

Sewage and drainage systems must be (i) properly located in accordance with Section 1.16 (Septic Systems) of these Rules and Regulations, (ii) approved in writing by PG&E, and (iii) in

compliance with all applicable governmental regulations and these Rules and Regulations. Septic systems shall be installed and operated so that effluent never reaches the water of the North Fork of the Feather River or any of its tributaries.

1.9 Accumulation Of Debris:

Tenant shall not allow the accumulation of landscape debris, tree trimmings, debris or trash on the Property. In no event shall the Tenant dispose or allow the disposal of any debris, trash, waste or personal property on the Property. All household refuse shall be removed from the Property either by Tenant or by a contracted local waste management service, at Tenant's sole cost. Routine and occasional collection of drifting debris is permissible provided such refuse is promptly removed from the Property.

1.10 Burning Debris:

Burning of household refuse is strictly prohibited. Tenant shall not burn natural debris (twigs, pine needles, leaves, limbs, etc.) within 25 feet, measured horizontally, of the High Water Elevation. Tenant shall not burn any debris outside of a furnace or fireplace constructed for that purpose within a building, or in an existing fire ring or campfire pit. Tenant shall comply with all applicable state and county rules and regulations associated with any burning, take all precautions to prevent and suppress fires, and obtain all necessary burning permits from the appropriate agency.

1.11 Repairs:

Tenant shall have the obligation to perform usual, necessary and ordinary repairs to buildings, fences, water pipelines and other structures to keep such improvements in good condition to the satisfaction of PG&E. Building may be rustic in nature or if Tenant elects to periodically paint the exterior of all buildings, it must be in a color approved by PG&E. An approved list of colors may be obtained by contacting PG&E's Land Department, 350 Salem Street, Chico, CA 95928.

1.12 Tree Trimming and Removal:

Tenants are responsible for the removal or trimming of trees or brush that are dead or hazardous, at Tenant's sole expense. Tenant should contact PG&E if Tenant is concerned about a particular tree; otherwise, PG&E will identify hazardous trees or brush during inspections and require Tenant to remove or trim them as PG&E deems appropriate. Tenant must obtain PG&E's written authorization before removing or trimming any tree(s) or brush, which authorization shall specify the manner of such removal and disposal.

1.13 Operation of Motorized Vehicles:

Tenant shall not operate motorized vehicles of any nature on the Property outside of the boundary lines of the Premises; except upon existing roads required for ingress to and egress from the Premises. Permission for vehicular access to any existing domestic water system lying outside the boundary lines the Premises must be obtained by contacting PG&E's Land Department, 350 Salem Street, Chico, CA 95928, telephone number (530) 896-4256.

1.14 Transfer Of Lease:

Assignment, but not subletting, shall be allowed with PG&E's written consent in conjunction with the sale of a residence, as more specifically set forth in the Applicable Lease. An administrative fee

of \$350 will be levied for a request for assignment of the Applicable Lease. This fee is subject to change.

1.15 Septic Systems:

In the event that Tenant is not connected to a community septic system, the following rules and regulations shall apply:

- (A) In the event of any septic system failure, Tenant shall immediately be required to (1) design and install, at Tenant's sole expense, such septic lines and leach fields as necessary within a site or sites designated by PG&E, or (2) contact the appropriate homeowners' association and make arrangements to connect to the local community septic system. PG&E must review all plans, and final approval is at the sole discretion of PG&E. Interim sealed pump out vault systems will be acceptable provided that the appropriate permits be obtained from the County Environmental Health Department.
- (B) If Tenant is required to install an off-site system, PG&E will prepare an agreement outlining the terms and conditions for such installation. Tenant will pay an administrative fee of \$350.00 and an annual fee of \$250.00 for the use of additional PG&E property. These fees are in addition to any fees set forth in the Applicable Lease. The \$600.00 (combined administrative fee and first year annual fee) will be due and payable upon delivery and execution of said agreement. Fees quoted in this paragraph (C) are subject to change.
- (C) Tenants with sealed pump out vault systems shall insure that all existing waste water facilities, including but not limited to drain lines, leach lines and septic tanks, capable of transporting or storing gray water or effluent shall empty into said sealed vault.

II. PERMIT REQUIREMENTS AND FEES

2.1 Permit and PG&E Consent Requirements:

Tenants are responsible for securing any and all applicable permits according to law from agencies including, but not limited to: The California Department of Fish and Game, United States Corps of Engineers, and the United States Forest Service.

Tenants should contact the local PG&E representative prior to any planned activity to determine whether a consent, approval, license or other agreement ("Consent") is required from PG&E. PG&E Consents are valid for a specific period from the date of issuance as set forth in the Consent. If the facilities are not installed or the activity does not take place within the time frame set forth in the Consent, then the Consent will be void. Below is a partial list of items that will require Consent from PG&E as well as potentially requiring permits from any applicable governmental agency. In the event that any of the following activities are to be conducted outside the boundary of the Premises, Tenant will obtain all necessary permits, approvals, consents, licenses and agreements from not only PG&E and the appropriate governmental agencies, but also from the owner, lessee or licensee of the property being accessed or impacted by the activities.

- (A) excavation, grading, dredging, rip rap placement, stump and rock removal, and other forms of shoreline alterations;
- (B) storage of materials outside structures previously approved by PG&E for such use;
- (C) construction or reconstruction of recreation homes, docks, stairways, walkways or other improvements;
- (D) vehicular access to any existing domestic water system lying outside the boundary lines of the Premises; and,
- (E) other activities that may affect water storage, water rights, the environment, etc.

2.2 Administrative Fees:

An administration fee may be charged for Consents issued for review of applications for activities or construction on the Property. Such fee will cover preparation of the Consent, routing for approval, and administrative expenses. Currently the minimum fee is \$350.00 per application, and is subject to change.

LEASE OF LANDS

THIS LEASE AGREEMENT made by and between PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, and BETTY L. KAYLOR, TIMOTHY F. DURKEE, TOBIN A. DURKEE and LYNDEN B. DURKEE, hereinafter called Tenant,

WITNESSETH that in consideration of the rents and covenants to be performed by Tenant as provided herein, PG&E leases to Tenant for the term commencing November 1, 1993 and ending at the close of October 30, 1998, for the purpose of a recreational home site and for no other purpose, those certain premises in the County of Plumas, State of California, described as follows:

Beginning at a point from which the southwest corner of Section 31, Township 27 North, Range 7 East, M.D.B.&M., bears south $66^{\circ} 31'$ west 1,737.9 feet distant, and running thence north $23^{\circ} 50'$ west 208.7 feet; thence north $60^{\circ} 10'$ east 208.7 feet; thence south $23^{\circ} 50'$ east 208.7 feet; thence south $66^{\circ} 10'$ west 208.7 feet, more or less, to the point of beginning, being a portion of the southeast quarter of the southwest quarter of Section 31.

Excepting therefrom and reserving to PG&E, any and all aqueducts, electric lines, communication lines, pipe lines and other installations on the premises used by PG&E in the conduct of its business, and the right to reconstruct, maintain, and use the same, together with access thereto over and across the premises. PG&E shall also have the right from time to time to inspect the premises to ensure compliance with the terms and conditions provided herein.

The annual rent payable on or before October 1st of each year during the term of this lease shall be as follows:

October 1, 1993 - September 30, 1994	= \$655.00
October 1, 1994 - September 30, 1995	= \$685.00
October 1, 1995 - September 30, 1996	= \$720.00
October 1, 1996 - September 30, 1997	= \$755.00
October 1, 1997 - September 30, 1998	= \$795.00

Tenant agrees to comply fully with the following conditions:

1. Tenant will pay rent immediately when due and all other sums payable under this lease in lawful money of the United States of America to PG&E's Land Department at 460 Rio Lindo Avenue, Chico, California 95926, without abatement, setoff, counterclaim, or reduction. Tenant shall pay, as additional rent, a charge for late payment to PG&E. If any installment of rent or of a sum due from Tenant, accruing

under the provisions of this lease, is not received by PG&E within 15 days after the due date, then Tenant shall pay to PG&E a fixed charge of 10% or the maximum amount allowed by law, whichever is less, of the rent or sum due. In the event Tenant is more than 30 days late in paying this rent or other sum due, PG&E, in addition to all other legal or equitable remedies and at its sole option, may immediately terminate this lease. Should PG&E bring any legal proceeding arising out of or in connection with the lease, and judgment is rendered in PG&E's favor, the court may award all costs incurred by PG&E in the proceeding including reasonable attorneys' fees to PG&E.

2. Tenant will not:

(a) sublet the premises or any part thereof, or attempt to assign this lease without first obtaining the written consent of PG&E;

(b) allow any waste, nuisance, or hazard to occur or exist on the premises; or

(c) use any of the water from the premises without prior written consent of PG&E.

3. Tenant will observe due diligence and care in maintaining the premises including, but not limited to, fences, buildings, and all other improvements, in proper condition and to the satisfaction of PG&E, and at the expiration or other termination of this lease surrender same to PG&E in as good condition as they are presently in, reasonable use and wear and damage by the elements excepted.

4. Tenant shall comply with all local, state, and federal laws and regulations including those laws whether existing or new which relate to the use, handling, treatment, or disposal of toxic or hazardous substances or relating to the control of rodents, other vermin, or noxious weeds on the premises. Tenant further agrees to indemnify and hold PG&E harmless from any and all loss, expense, and liability arising out of the presence of the aforementioned conditions on the premises. In no event shall Tenant dispose or allow the disposal of any substance on the premises which has hazardous or toxic qualities.

5. Tenant shall conduct all operations hereunder in accordance with good property management procedures to avoid unfavorable impact upon the environment, ecology or aesthetics of the surrounding neighborhood and to reflect credit upon both Tenant and PG&E, and shall comply with the applicable provisions of the Environmental Quality Act of 1970 (California Public Resources Code, Sections 21000, et seq.).

6. Should Tenant, with the consent of PG&E, express or implied, hold over possession of said premises after the term hereof, such holding shall be deemed a tenancy from month to month, at a monthly rental of \$70.00, payable in advance, and on the terms and conditions herein stated.

7. Tenant shall indemnify PG&E, its officers, agents and employees against all loss, damage, expense and liability resulting from injury to or death of persons, including, but not limited to, employees of PG&E or Tenant, or injury to property, including, but not limited to, property of PG&E or Tenant, arising out of or in any way connected with the lease or the premises including any loss, damage, expense or liability caused or contributed to by the negligence, whether active or passive, of PG&E, excepting only such loss, damage, expense or liability as may be caused by the sole negligence or willful misconduct of PG&E. In the event this indemnity is not enforceable, Tenant shall indemnify PG&E to the maximum extent allowed by law.

8. No building or other structure shall be erected by or for Tenant on the premises without prior written consent from PG&E. Tenant shall pay all taxes levied or assessed during the term hereof against any and all improvements which may be constructed by or for Tenant on the premises. All improvements shall become the property of PG&E, at its option, at the expiration or termination of the lease. At the request of PG&E, Tenant will remove any and all improvements erected by the Tenant and restore the premises to as close to its original condition as practicable.

9. Tenant will pay and discharge all bills for labor and materials furnished during the term hereof at Tenant's request for use upon the premises, and be solely liable and shall hold PG&E harmless from liability for any and all claims, demands and causes of action that are brought arising out of or in any way connected with any claims or liens for labor or materials or similar action.

10. As required pursuant to General Order No. 69-C of the California Public Utilities Commission, PG&E reserves the right during the term of the lease upon its own motion (or upon order of the Commission) to do any of the following if deemed necessary or desirable at PG&E's sole option exercised in good faith:

- (a) make such temporary, or permanent use of the premises, or any part of it as it shall deem necessary;
- (b) sell, exchange, or lease the whole or any part of the premises to another or others; and

- (c) grant easements and rights of way in, on and across the premises for any and all uses.

If PG&E desires to take any or all of the actions set forth under (a), (b) and (c) above, it shall give Tenant at least 90 days' written notice to that effect. Said notice shall contain a description of the lands to be utilized, sold, exchanged or leased, or the easement to be granted. The lease of the lands described in said written notice will automatically terminate upon the expiration of the above designated period. If the lands include the entire premises, PG&E will refund the unearned portion of any rent Tenant has paid in advance. If only a portion of the premises is included in such description then this lease shall not be affected as to the remainder of the premises and the refund to be paid to Tenant of such unearned rent shall be based on a proration by area and time. After the expiration of the then current year there shall be an adjustment in the rate of rental for the remainder of the lease term based on the remaining portion of the leased premises.

11. Failure to enforce any right or obligation by either party with respect to any matter arising in connection with this lease shall not constitute a waiver as to that matter or any other matter.

12. Insurance requirements:

Tenant shall maintain and be responsible for Sub-tenant, if applicable, maintaining during the performance hereof the following coverage:

(a) WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY

Workers' Compensation insurance or self-insurance indicating compliance with any applicable labor codes, acts, laws, or statutes, whether federal or state, where Contractor or Subcontractor operates, and Employers' Liability insurance of not less than \$500,000 for injury or death per accident.

(b) COMMERCIAL/COMPREHENSIVE GENERAL AND AUTOMOBILE LIABILITY

1. Commercial/Comprehensive General Liability insurance of not less than \$500,000 combined single limit or equivalent for bodily injury, property damage and personal injury as a result of any one occurrence including coverage for Premises-Operations, Products/Completed Operations, Independent Contractors, Contractual Liability, and Broad Form Property Damage including Completed Operations.

2. Commercial/Comprehensive Automobile Liability insurance of not less than \$500,000 combined single limit or equivalent for bodily injury and property damage as a result of any one occurrence including coverage for Owned, Hired and Non-Owned automobiles.

(c) ADDITIONAL INSURANCE PROVISIONS

1. The insurance specified above in Paragraph B shall include, by endorsement to the policy(ies): (1) PG&E as an additional insured insofar as the agreement between Tenant and/or Sub-tenant and PG&E is concerned, (2) a severability of interest clause, and (3) that PG&E shall not by reason of its inclusion as an additional insured incur liability to the insurance company for payment of premium for such insurance.

2. Evidence of coverage described in Paragraph B above shall state that coverage provided is primary and is not excess or contributing with any insurance or self-insurance maintained by PG&E.

3. Evidence of coverage described in Paragraphs A and B above shall provide 30 days written notice prior to cancellation, termination, alteration, or material change to such insurance.

4. PG&E shall have the right to inspect or obtain a copy of the original policy(ies) of insurance evidencing the coverages described in Paragraphs A and B above.

5. Tenant and/or Sub-tenant (if applicable) shall furnish the required certificates of insurance to PG&E before commencing performance of work.

6. All required insurance documents shall be signed by an authorized representative of the insurance company(ies) and shall be issued and submitted to the following:

PACIFIC GAS AND ELECTRIC COMPANY
Attention: Manager of Insurance
T19B

P. O. Box 770000
San Francisco, CA 94177

As Tenant will not engage any employees or operate an automobile in connection with this lease, Tenant will not be required to comply with PG&E's standard insurance requirement for Workers' Compensation and Comprehensive Automobile Liability Coverage, if Tenant's status changes in regard to the hiring of employees or operating an

automobile, then Tenant is required to comply with the standard insurance requirement(s) as necessitated by Tenant's action.

13. If two or more parties are designated herein as Tenant, the obligations herein of Tenant shall be the joint and several obligations of all persons herein designated as Tenant.

14. This lease is personal to Tenant.

IN WITNESS WHEREOF the parties have executed this lease in duplicate this 12 day of May, 1984.

TENANT

PACIFIC GAS AND ELECTRIC COMPANY

Lynda B. Durkee

Lu de Silva

Betty L. Kayser

By Lu de Silva
Director,
New Business Land Services

Robin A. Durkee

Timothy F. Durkee

Northern Region
North Valley Division
T.27N., R.7E., M.D.B.&M.
Section 31
SE4 of SW4
SBE 135-32-3A, Pcl. 1
Acct. #4

Attachment H

Environmental Agreement – (Fee Donee)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177
Attention: Land Consultant (LCC)

APN(s): N/A (none)
Address: Vacant Land

**ENVIRONMENTAL AGREEMENT
(Fee Grantee)**

THIS ENVIRONMENTAL AGREEMENT ("Agreement"), dated as of _____, _____, executed by and between MAIDU SUMMIT CONSORTIUM, a California nonprofit corporation ("Grantee") and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("Grantor"), is entered into with reference to that certain Transaction Agreement dated _____, _____, by and among Grantee, STATE OF CALIFORNIA, by and through its Department of Fish and Wildlife and FEATHER RIVER LAND TRUST, a California nonprofit corporation, and Grantor ("Transaction Agreement"), pursuant to which Grantee is acquiring from Grantor that certain real property described on Exhibit A hereto and made a part hereof (the "Property").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. Definitions. The following terms have the meanings ascribed to them below for purposes of this Agreement:

1.1. "Closing Date" means the date of recordation of the Grant Deed in the Official Records of the County of Plumas, California.

1.2. "Environmental Requirements" means all applicable present and future laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, judicial, administrative and regulatory decrees, directives and judgments of all governmental agencies, departments, commissions and boards, relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, without limitation, all requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of Hazardous Substances, whether solid, liquid or gaseous in nature, into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, whether solid, liquid or gaseous in nature.

1.3. "Grant Deed" means the Grant Deed conveying title to the Property from Grantor to Grantee.

1.4. "Hazardous Substances" means any hazardous or toxic material or waste that is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements. For purposes of this Agreement, Hazardous Substances include, without limitation, any material or substance:

(a) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Federal Water Pollution Control Act (33 U.S.C. § 1151 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); the River and Harbor Act of 1899 (33 U.S.C. § 401 et seq.); the National Emission Standard for Asbestos (40 C.F.R. § 61.140 et seq.), the OSHA Construction Standards (29 C.F.R. § 1926.1001 et seq.); the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); the Oil Pollution Act (33 U.S.C. § 2701 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §136 et seq.); the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.); the Atomic Energy Act of 1954, (42 U.S.C. §2011 et seq.); the Nuclear Waste Policy Act of 1982 (42 U.S.C. §10101 et seq.); the Medical Waste Management Act (Cal. Health & Safety Code §25015 et seq.); the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Cal. Health and Safety Code § 25300 et seq.); the Hazardous Waste Act (Cal. Health & Safety Code § 25100 et seq.); and all rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; or

(b) that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, any State of the United States or any political subdivision thereof; or which cause, or is listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(c) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons or to the environment; or

(d) that contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(e) that contains lead-based paint or other lead contamination, polychlorinated biphenyls or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(f) that contains radon gas.

1.5. "Necessary Remediation" means Remediation required by any governmental agency which has jurisdiction over the Remediation pursuant to the Environmental Requirements, to address Hazardous Substances, to enable the current use of the Property as of the Closing Date.

1.6. "Remediation" refers to the process of, and all work and planning performed in connection with, the investigation, testing for, monitoring, remediation, containment, transportation, removal and disposal or recycling of Hazardous Substances from the Property and any other property to which Hazardous Substances originating on the Property have migrated or may migrate in the future, and the repair and restoration of the Property, and restoration and mitigation of affected natural resources, regardless of whether such actions are required by Environmental Requirements.

1.7. "Transfer" refers to the time on the Closing Date that the Grant Deed is recorded in the Official Records of the County of Plumas, California, as indicated by the Recorder's stamp on the recorded Grant Deed. If no time is included on the Recorder's stamp, the Transfer shall be deemed to have occurred at 8:00 a.m., California time, on the Closing Date.

2. Allocation of Responsibility for Hazardous Substances.

2.1. Generally. In general, Grantor shall (as between Grantor and Grantee) bear the cost for the Necessary Remediation of Hazardous Substances which have been released to soil, surface water and/or groundwater prior to the Closing Date. Grantor shall have the right, but not the obligation, to perform the Remediation for which it is responsible. Grantee shall (as between Grantor and Grantee) bear responsibility for the reasonable management of Hazardous Substances existing on the Property, and, shall bear the cost, risk and responsibility for releases of Hazardous Substances to soil, surface water or groundwater occurring on and after the Closing Date. Grantee shall have the obligation to perform all Necessary Remediation with funding supplied by Grantor for the Necessary Remediation for which Grantor is responsible, unless Grantor elects to perform the Remediation. To ensure that Grantee understands the risks inherent in Grantee's execution of this Agreement, Grantor has strongly advised Grantee to investigate the condition and suitability of all aspects of the Property and all matters affecting the value or desirability of the Property, or that may be perceived to affect the value or desirability of the Property, including, without limitation, the potential environmental hazards arising from the presence of Hazardous Substances on, under, about, adjacent to or affecting the Property. Grantee hereby acknowledges and confirms that it has been afforded the opportunity to, and has, as of the date hereof, performed all environmental inspections, tests and studies, including, without limitation, invasive testing and/or groundwater sampling on, under, about or adjacent to the Property, which Grantee and its environmental consultants and engineers have deemed necessary to assess the condition of the Property and to assume the risk of the release and indemnity provided for in this Agreement.

2.2. Environmental Reports. Grantor, as part of the Land Conservation Commitment, has prepared certain Environmental Reports concerning the Property. Copies of these Environmental Reports have been provided to Grantee.

2.3. Grantor Responsibility for the Cost of Necessary Remediation of Pre-Closing Hazardous Substance Releases.

(a) As set forth in this Section 2.3(a), Grantor shall retain responsibility for the cost of Necessary Remediation of Hazardous Substance releases in soil, surface water and groundwater, which are present on the Property prior to the Closing Date, provided that Grantee did not cause, in whole or in part, such Hazardous Substance contamination and provided that such Necessary Remediation is not the result, in whole or in part, of Grantee's active or passive negligence. If Grantor releases Hazardous Substances to soil, surface water or groundwater on the Property on or after the Closing Date, Grantor shall be responsible for the cost of Necessary Remediation of such releases. Without limiting the foregoing general retention of responsibility, more specifically, Grantor shall retain responsibility for the Necessary Remediation of Hazardous Substances in the following circumstances:

(i) Grantor shall be responsible for the cost of Necessary Remediation of releases of Hazardous Substance present in soil, surface water and groundwater on the Property prior to the Transfer, including Necessary Remediation of Hazardous Substances which were either:

1. Caused by the Grantor;
2. Caused by a lessee or tenant of the Property; or
3. Caused by another third party.

(ii) Grantor shall be responsible for the cost of Necessary Remediation related to asbestos or lead paint that were released to soil, surface water or groundwater prior to the Transfer.

(b) Grantor's retention of responsibility in this Section 2.3 shall exclude:

(i) Remediation of naturally-occurring Hazardous Substances,

(ii) Remediation of Hazardous Substances present at background or ambient concentrations;

(iii) Remediation of contamination caused in whole or in part by Grantee or as a result of Grantee's active or passive negligence, including Grantee's exacerbation of any Hazardous Substance release present as of the Closing Date, as identified in the Environmental Reports;

(iv) Remediation of lessee or tenant-owned Hazardous Substances which had not been released to soil, surface water or groundwater as of the Closing Date;

(v) Liability to parties other than Grantee (i.e. successors and assigns of Grantee); and

(vi) Responsibility assumed by Grantee pursuant to this Agreement, including as set forth in Sections 2.1 and 2.4 of this Agreement.

(c) Grantor shall have the right, but not the obligation, to perform all Remediation for which it is responsible under this Agreement, if Grantor so chooses. Grantor

shall have the right, but not the obligation, to reasonably control any Remediation activities for which Grantor is responsible if the Grantor so chooses, including when the work is performed by Grantee, and shall have the right to coordinate all communications with any governmental agency regarding the same. Unless otherwise required by law, Grantee shall not communicate with any governmental agency regarding any Remediation activities for which Grantor is responsible without the prior notice to, consultation with and obtaining the consent of the Grantor, which shall not be unreasonably withheld or delayed, and, if such consent is granted, without allowing the Grantor to participate in and lead any such communications. Grantor shall have the right, but not the obligation, to remediate to a more stringent level than that which constitutes Necessary Remediation, at Grantor's cost.

2.4. Grantee Responsibility for Necessary Remediation of Certain Hazardous Substances.

(a) Grantee shall be responsible for the Necessary Remediation of Hazardous Substance contamination at the Property if the Grantee caused all or part of such contamination, or if such contamination or the cost of the Necessary Remediation of such contamination resulted, in whole or in part, from Grantee's active or passive negligence.

(b) Grantee shall be responsible for the Necessary Remediation of Hazardous Substances released to soil, surface water or groundwater after the Transfer (except for Hazardous Substance releases by Grantor on or after the Closing Date).

(c) Grantee will look solely to the lessee or tenant for Necessary Remediation related to asbestos or lead paint in buildings or other structures, owned by a lessee or tenant of Grantee as of the Closing Date. Grantee will look solely to the lessee or tenant for the Remediation of Hazardous Substances released by the lessee or tenant, including releases from lessee or tenant-owned structures on or after the Closing Date.

(d) Upon and after the Transfer, Grantee shall have responsibility to reasonably manage all Hazardous Substances on the Property, and to perform all Necessary Remediation on the Property, unless Grantor elects to perform such Remediation pursuant to Section 2.3(c) of this Agreement.

2.5. Performance and Completion of Necessary Remediation. Any Necessary Remediation performed hereunder shall be conducted in a manner consistent with applicable Environmental Requirements and shall be considered complete when the party conducting the Necessary Remediation obtains from the California Department of Toxic Substances Control or other governmental agency with jurisdiction over the matter, a "No Further Action Letter," "Certificate of Completion," or other governmental certification indicating that additional Remediation is not required for the current land use.

2.6. Access; Property Restoration; Recording or Deed Restriction. Grantee hereby acknowledges and agrees that Grantor shall have a reasonable right of access to and entry on the Property at all times upon twenty-four (24) hour notice to conduct all necessary actions to address any Hazardous Substances for which Grantor has responsibility under this Agreement. Grantor's actions to address the Hazardous Substances for which it has responsibility shall be made with reasonable efforts to not interfere with the Grantee's use of the Property. Upon completion of the actions to address the Hazardous Substances for which it has responsibility, Grantor shall make reasonable efforts to restore the Property to the condition it was in prior to the commencement of the actions to address Hazardous Substances for which it

has responsibility. Grantor and Grantee acknowledge and agree that attainment of an appropriate remediation standard for Necessary Remediation at the Property may require recordation of a deed restriction limiting certain uses of the Property or other similar land use control instruments concerning the Property. In the event that such a deed restriction or land use control instrument is required, Grantee and Grantor shall cooperate in the recording of such document in the appropriate office of the County where the Property is located.

3. Release.

3.1. Grantee, for itself, and for any future owners of all or a part of the Property, and each of their respective predecessors, successors, assigns, licensees, officers, directors, employees, agents, partners, shareholders, transferees, parent and subsidiary corporations, legal representatives, heirs, beneficiaries, executors and administrators (together with Grantee, "Releasing Parties") hereby fully and forever releases, exonerates, discharges and covenants not to sue Grantor and/or each and all of its past, present and future officers, directors, partners, employees, agents, representatives, shareholders, attorneys, affiliates, parent and subsidiary corporations, divisions, insurance carriers, heirs, legal representatives, beneficiaries, executors, administrators, predecessors, transferees, successors (including, without limitation, lenders who become successors-in-title) and assigns (hereinafter "Released Parties") of, from and for any and all losses (including diminution in the value of the Property and other consequential damages), costs, claims, demands, actions, suits, orders, causes of action, obligations, debts, expenses, accounts, damages, judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise (each a "Claim" and, collectively, "Claims") that the Releasing Parties or the Property may suffer or claim to suffer, based in whole or in part on the presence, or threatened or suspected presence, generation, processing, use, management, treatment, storage, disposal, Remediation, transportation, recycling, emission or release or threatened emission or release, whether in the past, present or future, of any Hazardous Substances on, about, from, adjacent to or affecting the Property, including, without limitation, Claims arising from the passive or active negligence of the Released Parties. Notwithstanding the foregoing, Grantee and the Releasing Parties do not release, exonerate, discharge and covenant not to sue Grantor for Claims for which Grantor is responsible under Section 2 of this Agreement.

3.2. Grantee represents and warrants to Grantor that it is the sole and lawful owner of all right, title and interest in and to every Claim that Grantee purports to release herein, and that it has not heretofore assigned or transferred, or purported to assign or transfer, to any person, firm, association, corporation or other entity, any right, title or interest in any such Claim. In the event that such representation is false, and any such Claim is asserted against any of the Released Parties, by any party or entity who is the assignee or transferee of such Claim, then Grantee shall fully indemnify, defend and hold harmless the Released Party against whom such Claim is asserted from and against such Claim and from all actual costs, fees, expenses, liabilities and damages that that party incurs as a result of the assertion of such Claim.

4. Indemnity.

4.1. By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantee harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to Grantor's failure to perform or discharge Grantor's responsibilities and obligations set forth in

Section 2.3 of this Agreement. Notwithstanding the foregoing, Grantor shall have no obligation to indemnify, protect, defend or hold the Grantee harmless, from and against any Claims for which Grantee is responsible under Section 2.4 of this Agreement.

4.2. By Grantee. Grantee agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantor harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to Grantee's failure to perform or discharge Grantee's responsibilities and obligations set forth in Section 2.4 of this Agreement. Notwithstanding the foregoing, Grantee shall have no obligation to indemnify, protect, defend or hold the Grantor harmless, from and against any Claims for which Grantor is responsible under Section 2.3 of this Agreement.

5. Statutory Waiver.

5.1. Grantee acknowledges that it may hereinafter discover facts different from or in addition to those that it now knows or believes to be true with respect to the matters which are the subject of this Agreement, and agrees that this Agreement shall remain in effect in all respects, notwithstanding the discovery of such different or additional facts. In addition, Grantee understands and agrees that its agreements and covenants contained in this Agreement extend to all claims of any nature and kind, known or unknown, suspected or unsuspected, based in whole or in part on facts existing in the past or as of the date hereof, and in that regard, Grantee acknowledges that it has read, considered and understands the provisions of Section 1542 of the California Civil Code which reads as follows:

Section 1542. General Release

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

5.2 Based upon the advice of its counsel, Grantee knowingly and voluntarily waives and relinquishes any and all rights that it may have under Section 1542 as well as under the provisions of all comparable, equivalent, or similar statutes and principles of common law or other decisional law of any and all states of the United States or of the United States. Grantee understands and acknowledges the significance and consequences of this waiver and hereby assumes the risk of any injuries, losses or damages that may arise from such waiver.

Grantee: MAIDU SUMMIT CONSORTIUM,
a California nonprofit corporation

By: _____

Print Name: _____

6. Notice by Grantee. Grantee shall promptly notify Grantor of any discovery of a release of Hazardous Substances on the Property. Grantee shall promptly notify Grantor of any notice of potential liability for costs of Remediation (whether or not covered by Section 2), and following such notification (or the determination by Grantor of its potential liability for such costs) provide such information and reports with respect to such potential liability and the status of Hazardous Substances on the Property as Grantor shall reasonably request.

7. Grantee's Representations and Warranties. Grantee represents and warrants to Grantor as follows:

7.1. Grantee has in all respects voluntarily and knowingly executed this Agreement.

7.2. Grantee has had an opportunity to seek and has sought independent legal advice from attorneys of its choice with respect to the advisability of executing this Agreement.

7.3. Grantee has made such investigation of the facts pertaining to this Agreement as it deems necessary.

7.4. The terms of this Agreement are contractual and are the result of negotiation between Grantee and Grantor.

7.5. This Agreement has been carefully read by Grantee and the contents hereof are known and understood by Grantee.

7.6. Grantee is duly organized, validly existing and in good standing under the laws of the state of its organization and is qualified to do business in the state in which the Property is located and the persons executing this Agreement on behalf of Grantee have the full right and authority to execute this Agreement on behalf of Grantee and to bind Grantee without the consent or approval of any other person or entity. This Agreement is (i) duly authorized, properly executed and delivered by Grantee, (ii) legal, valid and binding obligations of Grantee

enforceable in accordance with its terms at the time of the Closing Date, and (iii) not in violation of any agreement or judicial order to which Grantee is a party or to which it is subject.

8. Mandatory Negotiation and Mediation.

8.1. Except as provided in Section 8.2, Grantor and Grantee agree to first negotiate and then mediate with respect to any claim or dispute arising out of or relating to this Agreement, before resorting to court action. Either party may initiate settlement negotiations by providing written notice to the other party, setting forth the subject of the claim or dispute. Grantee and Grantor agree to cooperate in scheduling negotiations and to participate in the settlement negotiations in good faith. If Grantee and Grantor fail to settle such claim or dispute within thirty (30) days after the date of mailing of the notice initiating settlement negotiations or within such additional time period as the parties may agree in writing, the parties agree to submit the matter to JAMS (or other similar organization mutually agreed upon by the parties) for mediation. If an organization other than JAMS is agreed upon by the parties to conduct the mediation hereunder, all references to JAMS shall be deemed changed to the selected organization. Either party may commence mediation by providing to JAMS and the other party a written request for mediation, setting forth the subject of the claim or dispute and the relief requested. Except as provided herein or by written agreement of the parties, the mediation shall be conducted in San Francisco pursuant to the JAMS rules. The parties will cooperate in selecting a mediator from the JAMS panel of neutrals, and in scheduling the mediation proceedings. The parties agree to participate in the mediation in good faith, and to share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by either of the parties, their employees, agents, experts and attorneys, and by the mediator and any other JAMS employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any litigation or other proceeding involving the parties, but evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. If JAMS should no longer exist at the time the claim or dispute arises, the matter shall be submitted to its successor entity, or if there is no such successor entity, to the American Arbitration Association or other similar organization mutually agreed upon by the parties, and except as provided herein or by mutual agreement of the parties, the mediation rules of such successor or alternate organization shall apply. Except as may be expressly set forth in any written settlement agreement, should the matter be settled by negotiation or mediation prior to commencing court action, each party shall pay its own attorneys' fees and costs. Except as provided in Section 8.2, neither party may commence an action arising out of or relating to this Agreement until expiration of the negotiation period and completion of the initial mediation session in accordance with this Section 8.1. If either party commences an action with respect to a claim or dispute covered by this Section 8.1 without first attempting to resolve the matter through negotiation and mediation, or refuses to negotiate or mediate after a request has been made, then that party shall not be entitled to recover attorneys' fees and costs, even if such fees and costs would otherwise be available to that party in such action.

8.2. Either party may seek equitable relief to preserve the status quo prior to participating in the negotiation and mediation proceedings required pursuant to Section 8.1. In addition, matters that are within the jurisdiction of probate, small claims, or bankruptcy court are excluded from mandatory negotiation and mediation hereunder.

8.3. The provisions of this Section 8 may be enforced by any court of competent jurisdiction, and the party seeking enforcement shall be entitled to an award of all fees and costs, including reasonable attorneys' fees, to be paid by the party against which

enforcement is ordered. The covenants of Grantor and Grantee contained in this Section 8 shall survive the expiration or earlier termination of this Agreement or the Closing Date.

9. Miscellaneous.

9.1. Grantor and Grantee acknowledge (a) this Agreement is the result of extensive good faith negotiations between Grantee and Grantor through their respective counsel, (b) Grantor's and Grantee's counsel has carefully reviewed and examined this Agreement before execution by Grantor and Grantee, and (c) any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

9.2. In the event that either party shall bring an action to enforce its rights under this Agreement, or relating to the interpretation hereof, whether for declaratory or other relief, the prevailing party in any such proceeding shall be entitled to recover from the other party reasonable attorneys' fees and all costs, expenses and disbursements that the prevailing party incurred in connection with such proceeding and any appeal thereof (including, but not limited to, the reasonable costs of discovery, investigation, preparation for trial, professional or expert consultation and testimony) as ordered by the court. Grantee shall also pay all attorneys' fees and costs Grantor incurs in defending this Agreement or otherwise protecting Grantor's rights in any voluntary or involuntary bankruptcy case, assignment for the benefit of creditors, or other insolvency, liquidation or reorganization proceeding involving Grantee or this Agreement, including all motions and proceedings related to relief from an automatic stay, lease assumption or rejection, use of cash collateral, claim objections, disclosure statements and plans of reorganization. A party shall be deemed to have prevailed in any such action (without limiting the generality of the foregoing) if such action is dismissed upon the payment by the other party of the sums allegedly due or the performance of obligations allegedly not complied with, or if such party obtains substantially the relief sought by it in the action, irrespective of whether such action is prosecuted to judgment. The non-prevailing party shall also pay the attorneys' fees and costs incurred by the prevailing party in any post-judgment proceedings to collect and enforce the judgment. For purposes hereof, the reasonable fees of Grantor's in-house attorneys who perform services in connection with any such action are recoverable, and shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the relevant subject matter area of the law, in law firms in the City of San Francisco with approximately the same number of attorneys as are employed by Grantor's Law Department. Any such fees and costs incurred prior to judgment, award, or decree may be included in any judgment, award or decree entered in such proceeding in favor of the prevailing party. Any such fees, costs and expenses incurred by the prevailing party in enforcing a judgment, award or decree in its favor shall be recoverable separately from and in addition to any other amount included in such judgment, award or decree. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

9.3. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of Grantee and Grantor. No transfer of an interest in the Property or this Agreement by Grantee or its assignees shall operate to relieve Grantor or Grantee of their obligations hereunder. This Agreement shall not create or bestow any right in any third party. Grantee and Grantor agree that no third party beneficiary to this Agreement exists and that nothing contained herein shall be construed as giving any other person or entity third party beneficiary status.

9.4. The failure of either party to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any of such terms, nor shall it militate against the right of such party to insist upon strict compliance herewith at any later time.

9.5. This Agreement shall not constitute or be construed as an admission of liability or fact by either party for any purpose whatsoever.

9.6. Grantor and Grantee shall execute, acknowledge and deliver to the other party hereto all documents, and shall take all actions reasonably required by either party from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Agreement.

9.7. The representations, warranties, covenants, and agreements of Grantee contained in this Agreement shall survive the Closing Date.

9.8. Time is of the essence of this Agreement.

9.9. This Agreement shall be governed by the laws of the State of California.

9.10. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, and the validity of the remainder shall remain unaffected.

9.11. This Agreement sets forth the entire understanding of Grantee and Grantor in connection with the subject matter hereof, and Grantee acknowledges that Grantor has made no statement, representation or warranty relating to the Property upon which Grantee has relied or that acted as an inducement for Grantee to enter into this Agreement. Grantee's obligations under this Agreement may not be altered or amended in any respect except by a writing executed by both Grantee and Grantor. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be duly executed as of the date first written above.

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

GRANTEE:

MAIDU SUMMIT CONSORTIUM,
a California nonprofit corporation

By: _____

Print Name: _____

Its: _____

By: _____

Print Name: _____

Its: _____

EXHIBIT A
LEGAL DESCRIPTION

[Follows this page]

EXHIBIT "A"

PARCEL ONE:

LCP ID #0699

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 35 AND 36 OF TOWNSHIP 27 NORTH, RANGE 6 EAST; SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTION 6 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 2, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 43, PAGE 309 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 6 EAST

THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF NORTHEAST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 35; NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 36;

TOWNSHIP 27 NORTH, RANGE 7 EAST

SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER, ALSO DESIGNATED LOT 4 OF SAID SECTION 31;

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 4 AND 5 OF SAID SECTION 6;

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOTS 1, 2, 3, 4, 5, 6, 7, AND 9, AND NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1; AND LOTS 1 AND 7 OF SAID SECTION 2.

LESS AND EXCEPT PORTIONS OF SAID LOT 9 AND SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006. 5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT PORTIONS OF SAID LOT 4 OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AND SAID LOTS 4 AND 5 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, RECORDED AS VOLUME 7, PAGE 134 OF DEEDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31, SAME AS SOUTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45 ° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE SOUTH 17.5 ° EAST 396 FEET; THENCE SOUTH 47.75 ° WEST 330 FEET; THENCE SOUTH 25 ° WEST 104.94 FEET; THENCE SOUTH 52.25 ° EAST 242.22 FEET; THENCE SOUTH 25.75 ° WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31 AND THE POINT OF BEGINNING.

PARCEL 2:
LCP ID #0700

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTIONS 6, 7 AND 18 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 12 OF TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 7 EAST

THE SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER AND SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 31; AND A PORTION OF THE SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 31, ALSO DESIGNATED AS LOT 4, AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45 ° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE EAST 330 FEET ALONG THE SOUTH LINE OF SAID LOT 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 3, 6, 9 (ALSO DESIGNATED AS SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER), 10, 11 AND 12, AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 6; LOTS 1, 2, 3 AND 4 (LOTS 1 AND 2 ALSO DESIGNATED AS WEST ONE-HALF OF NORTHWEST ONE-QUARTER) AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 7; LOT 1 AND THE EAST ONE-HALF OF NORTHWEST ONE-QUARTER OF SAID SECTION 18; AND PORTIONS OF LOTS 4 AND 5 OF SAID SECTION 6, AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 4; THENCE WEST 330 FEET ALONG THE NORTH LINE OF SAID LOT 4; THENCE SOUTH 17 ° 30' EAST 396 FEET; THENCE SOUTH 47 ° 45' WEST 330 FEET; THENCE SOUTH 25 ° WEST 104.94 FEET; THENCE SOUTH 52 ° 15' EAST 242.22 FEET; THENCE SOUTH 25 ° 45' WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE

SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOT 8, NORTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, AND SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 1, NORTHEAST ONE-QUARTER OF SAID SECTION 12, AND PORTIONS OF LOT 9 AND THE NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006.5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

LESS AND EXCEPT A PORTION OF THE SAID SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 31; THENCE NORTH 70 ° 30' EAST 1601 FEET TO A STAKE AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 31 ° EAST 283.3 FEET TO A STAKE; THENCE NORTH 28 ° 05' EAST 179.3 FEET TO A STAKE; THENCE NORTH 31 ° WEST 283.3 FEET TO A STAKE; THENCE SOUTH 28 ° 05' WEST 179.3 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING:

THE PARCEL OF LAND DESCRIBED IN THE DEED FROM PACIFIC GAS AND ELECTRIC COMPANY TO WINIFRED T. MILLER DATED JANUARY 19, 1922 AND RECORDED IN BOOK 55 OF DEEDS AT PAGE 236, PLUMAS COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE SOUTHWEST CORNER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B. & M, BEARS SOUTH 79 DEGREES 42 MINUTES WEST, 1690 FEET DISTANT, AND RUNNING THENCE NORTH 29 DEGREES 00 MINUTES EAST, 290 FEET; THENCE SOUTH 61 DEGREES 00 MINUTES EAST, 150.2 FEET; THENCE SOUTH 29 DEGREES 00 MINUTES WEST, 290 FEET; THENCE NORTH 61 DEGREES 00 MINUTES WEST, 150.2 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, BEING A PART OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER (SE1/4 OF SW1/4) OF SAID SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B. & M.

PARCEL THREE:

LCP ID #0701

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 5 AND 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

WEST ONE-HALF OF LOT 5 OF SAID SECTION 5 AND LOT 1 AND THE EAST ONE-HALF OF LOT 7 OF SAID SECTION 6.

PARCEL FOUR:

LCP ID #0702

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 1, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 44, PAGE 330 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

THE SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1.

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of _____)

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

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

WITNESS my hand and official seal.

Signature _____

Attachment I

Environmental Agreement – (Easement Grantee)

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177
Attention: Land Consultant (LCC)

APN(s): N/A (none)
Address: Vacant Land

ENVIRONMENTAL AGREEMENT
(Easement Grantee – Conveyed Fee)

THIS ENVIRONMENTAL AGREEMENT ("Agreement"), dated as of _____, _____, executed by and between STATE OF CALIFORNIA, by and through its Department of Fish and Wildlife ("DFW") and FEATHER RIVER LAND TRUST, a California nonprofit corporation ("Land Trust" and together with DFW, "Easement Grantees") and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation ("Grantor"), is entered into with reference to that certain Transaction Agreement dated _____, _____, by and among Easement Grantees, MAIDU SUMMIT CONSORTIUM, a California nonprofit corporation ("Fee Grantee") and Grantor ("Transaction Agreement"), pursuant to which Fee Grantee is acquiring from Grantor that certain real property described on Exhibit A hereto and made a part hereof (the "Property"), and Easement Grantees are acquiring a conservation easement over the Property. Grantor, DFW, and Land Trust are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Easement Grantees hereby agree as follows:

1. Definitions. The following terms have the meanings ascribed to them below for purposes of this Agreement:

1.1. "Closing Date" means the date of recordation of the Grant Deed in the Official Records of the County of Plumas, California.

1.2. "Environmental Requirements" means all applicable present and future laws, statutes, regulations, rules, ordinances, codes, licenses, permits, orders, approvals, plans, authorizations, judicial, administrative and regulatory decrees, directives and judgments of all governmental agencies, departments, commissions and boards, relating to the protection of human health or safety, or regulating or relating to industrial hygiene or environmental conditions, or the protection of the environment, or pollution or contamination of the air, soil, surface water or groundwater, including, without limitation, all requirements and regulations pertaining to reporting, licensing, permitting, investigating and remediating emissions, discharges, releases or threatened releases of Hazardous Substances, whether solid, liquid or gaseous in nature, into the air, surface water, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances, whether solid, liquid or gaseous in nature.

1.3. "Grant Deed" means the Grant Deed conveying title to the Property from Grantor to Grantee.

1.4. "Hazardous Substances" means any hazardous or toxic material or waste that is or becomes regulated by any local governmental authority, the State of California or the United States Government under any Environmental Requirements. For purposes of this Agreement, Hazardous Substances include, without limitation, any material or substance:

(a) now or hereafter defined as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous waste," "restricted hazardous waste" or "toxic substance" or words of similar import under any applicable local, state or federal law or under the regulations adopted or promulgated pursuant thereto, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); the Federal Water Pollution Control Act (33 U.S.C. § 1151 et seq.); the Clean Air Act (42 U.S.C. § 7401 et seq.); the Safe Drinking Water Act (42 U.S.C. § 300f et seq.); the River and Harbor Act of 1899 (33 U.S.C. § 401 et seq.); the National Emission Standard for Asbestos (40 C.F.R. § 61.140 et seq.), the OSHA Construction Standards (29 C.F.R. § 1926.1001 et seq.); the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.); the Oil Pollution Act (33 U.S.C. § 2701 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.); the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 et seq.); the Atomic Energy Act of 1954, (42 U.S.C. § 2011 et seq.); the Nuclear Waste Policy Act of 1982 (42 U.S.C. § 10101 et seq.); the Medical Waste Management Act (Cal. Health & Safety Code § 25015 et seq.); the Porter-Cologne Water Quality Control Act (Cal. Water Code § 13000 et seq.); the Safe Drinking Water and Toxic Enforcement Act of 1986 (Cal. Health & Safety Code § 25249.5 et seq.); the Carpenter-Presley-Tanner Hazardous Substance Account Act (Cal. Health and Safety Code § 25300 et seq.); the Hazardous Waste Act (Cal. Health & Safety Code § 25100 et seq.); and all rules and regulations of the United States or California Environmental Protection Agency or any successor agency, or any other state or federal department, board or agency, or any other agency or governmental board or entity having jurisdiction, as any of the foregoing have been, or are hereafter amended from time to time; or

(b) that is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous, and is now or hereafter regulated as a Hazardous Substance by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or which cause, or is listed by the State of California as being known to the State of California to cause, cancer or reproductive toxicity; or

(c) the presence of which on the Property poses or threatens to pose a hazard to the health or safety of persons or to the environment; or

(d) that contains gasoline, diesel fuel or other petroleum hydrocarbons; or

(e) that contains lead-based paint or other lead contamination, polychlorinated biphenyls or asbestos or asbestos-containing materials or urea formaldehyde foam insulation; or

(f) that contains radon gas.

1.5. "Necessary Remediation" means Remediation required by any governmental agency which has jurisdiction over the Remediation pursuant to the Environmental Requirements, to address Hazardous Substances, to enable the current use of the Property as of the Closing Date.

1.6. "Remediation" refers to the process of, and all work and planning performed in connection with, the investigation, testing for, monitoring, remediation, containment, transportation, removal and disposal or recycling of Hazardous Substances from the Property and any other property to which Hazardous Substances originating on the Property have migrated or may migrate in the future, and the repair and restoration of the Property, and restoration and mitigation of affected natural resources, regardless of whether such actions are required by Environmental Requirements.

2. Allocation of Responsibility for Hazardous Substances.

2.1. Generally. In general, Grantor shall (as between Grantor and Easement Grantees) bear the cost for the Necessary Remediation of Hazardous Substances which have been released to soil and/or groundwater prior to the Closing Date.

2.2. Environmental Reports. Grantor, as part of the Land Conservation Commitment, has prepared certain Environmental Reports concerning the Property. Copies of these Environmental Reports have been provided to Easement Grantees.

2.3. Grantor Responsibility for the Cost of Necessary Remediation of Pre-Closing Hazardous Substance Releases.

(a) As set forth in this Section 2.3(a), Grantor shall retain responsibility for the cost of Necessary Remediation of Hazardous Substance releases in soil and groundwater, which are present on the Property prior to the Closing Date, provided that neither Easement Grantee caused, in whole or in part, such Hazardous Substance contamination and provided that such Necessary Remediation is not the result, in whole or in part, of either Easement Grantee's active or passive negligence. If Grantor releases Hazardous Substances to soil or groundwater on the Property on or after the Closing Date, Grantor shall be responsible for the cost of Necessary Remediation of such releases.

(b) Grantor's retention of responsibility in this Section 2.3 shall exclude:

(i) Remediation of naturally-occurring Hazardous Substances,

(ii) Remediation of Hazardous Substances present at background or ambient concentrations;

(iii) Remediation of contamination caused in whole or in part by Fee Grantee and/or DFW and/or Land Trust or as a result of Fee Grantee's and/or DFW's and/or Land Trust's active or passive negligence, including Fee Grantee's and/or DFW's and/or Land Trust's exacerbation of any Hazardous Substance release present as of the Closing Date, as identified in the Environmental Reports;

(iv) Remediation of lessee or tenant-owned Hazardous Substances which had not been released to soil or groundwater as of the Closing Date;

(v) Liability to parties other than Easement Grantees (i.e. successors and assigns of Easement Grantees); and

(vi) Responsibility assumed by Easement Grantees pursuant to this Agreement, including as set forth in Section 2.4 of this Agreement.

(c) Grantor shall have the right to perform all Remediation for which it is responsible under this Agreement. Except to the extent an Easement Grantee determines, in its good faith sole discretion, that it is legally required to do so, Easement Grantees shall not communicate with any governmental agency aside from DFW regarding any Remediation activities for which Grantor is responsible without the prior notice to, consultation with and obtaining the consent of the Grantor, which shall not be unreasonably withheld or delayed, and, if such consent is granted, without allowing the Grantor to participate in and lead any such communications. Grantor shall have the right, but not the obligation, to remediate to a more stringent level than that which constitutes Necessary Remediation, at Grantor's cost.

2.4. Easement Grantees' Responsibility for Necessary Remediation of Certain Hazardous Substances.

(a) DFW shall be responsible for the Necessary Remediation of Hazardous Substance contamination at the Property if DFW caused all of such contamination. If DFW caused part of such contamination, DFW shall be responsible only for its proportional share of the Necessary Remediation.

(b) Land Trust shall be responsible for the Necessary Remediation of Hazardous Substance contamination at the Property if Land Trust caused all of such contamination. If Land Trust caused part of such contamination, Land Trust shall be responsible only for its proportional share of the Necessary Remediation.

2.5. Performance and Completion of Necessary Remediation. Any Necessary Remediation performed hereunder shall be conducted in a manner consistent with applicable Environmental Requirements and shall be considered complete when the Party conducting the Necessary Remediation obtains from the California Department of Toxic Substances Control or other governmental agency with jurisdiction over the matter, a "No Further Action Letter," "Certificate of Completion," or other governmental certification indicating that additional Remediation is not required for the current land use.

2.6. Access; Property Restoration; Recording or Deed Restriction. Easement Grantees hereby acknowledge and agree that Grantor shall have a reasonable right of access to and entry on the Property at all times upon twenty-four (24) hour notice to conduct all necessary actions to address any Hazardous Substances for which Grantor has responsibility under this Agreement. Grantor's actions to address the Hazardous Substances for which it has responsibility shall be made with reasonable efforts to not interfere with the Easement Grantees' use of the Property. Upon completion of the actions to address the Hazardous Substances for which it has responsibility, Grantor shall make reasonable efforts to restore the Property to the condition it was in prior to the commencement of the actions to address Hazardous Substances for which it has responsibility. Grantor and Easement Grantees acknowledge and agree that attainment of an appropriate remediation standard for Necessary Remediation at the Property may require recordation of a deed restriction limiting certain uses of the Property or other similar land use control instruments concerning the Property. In the event that such a deed restriction

or land use control instrument is required, Easement Grantees shall cooperate in the recording of such document in the appropriate office of the County where the Property is located.

3. Indemnity.

3.1. By Grantor. Grantor agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Easement Grantees harmless, from and against any and all losses (including diminution in the value of the Property and other consequential damages), costs, claims, demands, actions, suits, orders, causes of action, obligations, controversies, debts, expenses, accounts, damages, judgments and liabilities of whatever kind or nature, and by whomsoever asserted, in law, equity or otherwise (each a "Claim" and, collectively, "Claims"), including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements, arising from or relating, in whole or in part, to Grantor's failure to perform or discharge Grantor's responsibilities and obligations set forth in Section 2.3 of this Agreement. Notwithstanding the foregoing, Grantor shall have no obligation to indemnify, protect, defend or hold the Easement Grantees harmless, from and against any Claims for which Easement Grantees are responsible under Section 2.4 of this Agreement.

3.2. By DFW. To the maximum extent permitted by California Government Code § 14662.5 or otherwise permitted by law applicable to DFW, DFW agrees and covenants, at its sole cost and expense, to indemnify and hold Grantor harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to DFW's failure to perform or discharge DFW's responsibilities and obligations set forth in Section 2.4 of this Agreement. Notwithstanding the foregoing, DFW shall have no obligation to indemnify, protect, defend or hold the Grantor harmless, from and against any Claims for which Grantor is responsible under Section 2.3 of this Agreement.

3.3. By Land Trust. Land Trust agrees and covenants, at its sole cost and expense, to indemnify, protect, defend and hold Grantor harmless, from and against any and all Claims (including, without limitation, the payment of damages, the payment of the actual fees and expenses of experts, attorneys and others and the payment of "response costs" under CERCLA or any other Environmental Requirements) arising from or relating, in whole or in part, to Land Trust's failure to perform or discharge Land Trust's responsibilities and obligations set forth in Section 2.4 of this Agreement. Notwithstanding the foregoing, Land Trust shall have no obligation to indemnify, protect, defend or hold the Grantor harmless, from and against any Claims for which Grantor is responsible under Section 2.3 of this Agreement.

4. Notice by Easement Grantees. Easement Grantees shall promptly notify Grantor of any discovery of a release of Hazardous Substances on the Property. Easement Grantees shall promptly notify Grantor of any notice of potential liability for costs of Remediation (whether or not covered by Section 2), and following such notification (or the determination by Grantor of its potential liability for such costs) provide such information and reports with respect to such potential liability and the status of Hazardous Substances on the Property as Grantor shall reasonably request.

5. Easement Grantees' Representations and Warranties.

5.1. DFW represents and warrants to Grantor as follows:

(c) DFW has in all respects voluntarily and knowingly executed this Agreement.

(d) DFW has had an opportunity to seek and has sought independent legal advice from attorneys of his or its choice with respect to the advisability of executing this Agreement.

(e) DFW has made such investigation of the facts pertaining to this Agreement as it deems necessary.

(f) The terms of this Agreement are contractual and are the result of negotiation between DFW, Land Trust, and Grantor.

(g) This Agreement has been carefully read by DFW and the contents hereof are known and understood by DFW.

(h) DFW is duly organized under the laws of the State of California and the persons executing this Agreement on behalf of DFW have the full right and authority to execute this Agreement on behalf of DFW and to bind DFW without the consent or approval of any other person or entity. This Agreement is (i) duly authorized, properly executed and delivered by DFW, (ii) legal, valid and binding obligations of DFW enforceable in accordance with its terms at the time of the Closing Date, and (iii) not in violation of any agreement or judicial order to which DFW is a party or to which it is subject.

5.2. Land Trust represents and warrants to Grantor as follows:

(a) Land Trust has in all respects voluntarily and knowingly executed this Agreement.

(b) Land Trust has had an opportunity to seek and has sought independent legal advice from attorneys of his or its choice with respect to the advisability of executing this Agreement.

(c) Land Trust has made such investigation of the facts pertaining to this Agreement as it deems necessary.

(d) The terms of this Agreement are contractual and are the result of negotiation between Land Trust, DFW, and Grantor.

(e) This Agreement has been carefully read by Land Trust and the contents hereof are known and understood by Land Trust.

(f) Land Trust is duly organized, validly existing and in good standing under the laws of the state of its organization and is qualified to do business in the state in which the Property is located and the persons executing this Agreement on behalf of Land Trust have the full right and authority to execute this Agreement on behalf of Land Trust and to bind Land Trust without the consent or approval of any other person or entity. This Agreement is (i) duly authorized, properly executed and delivered by Land Trust, (ii) legal, valid and binding obligations of Land Trust enforceable in accordance with its terms at the time of the Closing Date, and (iii) not in violation of any agreement or judicial order to which Land Trust is a party or to which it is subject.

6. [Intentionally Deleted].

7. Miscellaneous.

7.1. Easement Grantees each acknowledge (a) this Agreement is the result of extensive good faith negotiations between each Easement Grantee and Grantor through their respective counsel, (b) each Easement Grantee's counsel has carefully reviewed and examined this Agreement before execution by such Easement Grantee, and (c) any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

7.2. In the event that any Party (other than DFW) shall bring an action to enforce its rights under this Agreement, or relating to the interpretation hereof, whether for declaratory or other relief, the prevailing Party (other than DFW) shall be entitled to its reasonable attorneys' fees, if any, awarded by a court of competent jurisdiction; provided however, that no attorneys' fees may be recovered from DFW.

7.3. This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of Easement Grantees and Grantor. No transfer of an interest in the Property or this Agreement by either Easement Grantee or its assignees shall operate to relieve such Easement Grantee of its obligations hereunder. This Agreement shall not create or bestow any right in any third party. Easement Grantees and Grantor agree that no third party beneficiary to this Agreement exists and that nothing contained herein shall be construed as giving any other person or entity third party beneficiary status.

7.4. The failure of any Party to insist upon strict compliance with any of the terms hereof shall not be considered to be a waiver of any of such terms, nor shall it militate against the right of such Party to insist upon strict compliance herewith at any later time.

7.5. This Agreement shall not constitute or be construed as an admission of liability or fact by any Party for any purpose whatsoever.

7.6. The Parties shall execute, acknowledge and deliver to the other Parties all documents, and shall take all actions reasonably required by a Party from time to time to confirm or effect the matters set forth herein, or otherwise to carry out the purposes of this Agreement.

7.7. The representations, warranties, covenants, and agreements of the Parties contained in this Agreement shall survive the Closing Date.

7.8. Time is of the essence of this Agreement.

7.9. This Agreement shall be governed by the laws of the State of California.

7.10. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, and the validity of the remainder shall remain unaffected.

7.11. This Agreement sets forth the entire understanding of Easement Grantees and Grantor in connection with the subject matter hereof, and each Easement Grantees acknowledge that Grantor has made no statement, representation or warranty relating

to the Property upon which such Easement Grantee has relied or that acted as an inducement for such Easement Grantee to enter into this Agreement. The obligations of the Parties under this Agreement may not be altered or amended in any respect except by a writing executed by all of the Parties. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, Grantor and Easement Grantees have caused this Agreement to be duly executed as of the date first written above.

GRANTOR:

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation

By: _____

Print Name: _____

EASEMENT GRANTEEES:

LAND TRUST:

FEATHER RIVER LAND TRUST,
California nonprofit corporation

By: _____

Print Name: _____

Its: _____

Date: _____

[signatures continue on next page]

[signatures continued from previous page]

DFW:

STATE OF CALIFORNIA,
by and through its Department of Fish and Wildlife

By: _____

Print Name: _____

Its: _____

Date: _____

EXHIBIT A
LEGAL DESCRIPTION

[Follows this page]

EXHIBIT "A"

PARCEL ONE:

LCP ID #0699

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 35 AND 36 OF TOWNSHIP 27 NORTH, RANGE 6 EAST; SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTION 6 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 2, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 43, PAGE 309 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 6 EAST

THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF NORTHEAST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 35; NORTHWEST ONE-QUARTER, SOUTHWEST ONE-QUARTER, NORTH ONE-HALF OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER AND SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 36;

TOWNSHIP 27 NORTH, RANGE 7 EAST

SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER, ALSO DESIGNATED LOT 4 OF SAID SECTION 31;

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 4 AND 5 OF SAID SECTION 6;

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOTS 1, 2, 3, 4, 5, 6, 7, AND 9, AND NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1; AND LOTS 1 AND 7 OF SAID SECTION 2.

LESS AND EXCEPT PORTIONS OF SAID LOT 9 AND SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006.5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT PORTIONS OF SAID LOT 4 OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AND SAID LOTS 4 AND 5 OF SECTION 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, RECORDED AS VOLUME 7, PAGE 134 OF DEEDS, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31, SAME AS SOUTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45 ° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE SOUTH 17.5 ° EAST 396 FEET; THENCE SOUTH 47.75 ° WEST 330 FEET; THENCE SOUTH 25 ° WEST 104.94 FEET; THENCE SOUTH 52.25 ° EAST 242.22 FEET; THENCE SOUTH 25.75 ° WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE SOUTHEAST CORNER OF SAID LOT 4 OF SECTION 31 AND THE POINT OF BEGINNING.

PARCEL 2:
LCP ID #0700

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 31 OF TOWNSHIP 27 NORTH, RANGE 7 EAST; SECTIONS 6, 7 AND 18 OF TOWNSHIP 26 NORTH, RANGE 7 EAST; AND SECTIONS 1 AND 12 OF TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

TOWNSHIP 27 NORTH, RANGE 7 EAST

THE SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER AND SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 31; AND A PORTION OF THE SOUTHWEST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 31, ALSO DESIGNATED AS LOT 4, AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 4; THENCE NORTH 330 FEET ALONG THE EAST LINE OF SAID LOT 4; THENCE SOUTH 45 ° WEST 466.62 FEET TO THE SOUTH LINE OF SAID LOT 4; THENCE EAST 330 FEET ALONG THE SOUTH LINE OF SAID LOT 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 7 EAST

LOTS 3, 6, 9 (ALSO DESIGNATED AS SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER), 10, 11 AND 12, AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 6; LOTS 1, 2, 3 AND 4 (LOTS 1 AND 2 ALSO DESIGNATED AS WEST ONE-HALF OF NORTHWEST ONE-QUARTER) AND EAST ONE-HALF OF SOUTHWEST ONE-QUARTER OF SAID SECTION 7; LOT 1 AND THE EAST ONE-HALF OF NORTHWEST ONE-QUARTER OF SAID SECTION 18; AND PORTIONS OF LOTS 4 AND 5 OF SAID SECTION 6, AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 4; THENCE WEST 330 FEET ALONG THE NORTH LINE OF SAID LOT 4; THENCE SOUTH 17 ° 30' EAST 396 FEET; THENCE SOUTH 47 ° 45' WEST 330 FEET; THENCE SOUTH 25 ° WEST 104.94 FEET; THENCE SOUTH 52 ° 15' EAST 242.22 FEET; THENCE SOUTH 25 ° 45' WEST 912.78 FEET, MORE OR LESS, TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST 891 FEET ALONG THE

SAID SOUTH LINE TO THE SOUTHEAST CORNER OF SAID LOT 5, SAME AS THE NORTHWEST CORNER OF SOUTHEAST ONE-QUARTER OF NORTHWEST ONE-QUARTER OF SAID SECTION 6; THENCE NORTH 1797.84 FEET ALONG THE EAST LINE OF SAID LOTS 5 AND 4 TO THE POINT OF BEGINNING.

TOWNSHIP 26 NORTH, RANGE 6 EAST

LOT 8, NORTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, SOUTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER, AND SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SAID SECTION 1, NORTHEAST ONE-QUARTER OF SAID SECTION 12, AND PORTIONS OF LOT 9 AND THE NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1, AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER; THENCE NORTH 874.5 FEET ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO FENCE LINE BETWEEN WELSH AND MILLER AS IT EXISTED IN 1879; THENCE NORTH 78 ° EAST 594 FEET ALONG SAID FENCE LINE; THENCE NORTH 47.5 ° EAST 1006.5 FEET TO THE EAST LINE OF SAID LOT 9; THENCE SOUTH 1684.32 FEET ALONG THE SAID EAST LINE OF LOT 9 AND EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO ITS SOUTHEAST CORNER; THENCE WEST 1320 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF SOUTHEAST ONE-QUARTER TO THE POINT OF BEGINNING.

LESS AND EXCEPT A PORTION OF THE SAID SOUTHEAST ONE-QUARTER OF SOUTHWEST ONE-QUARTER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 31; THENCE NORTH 70 ° 30' EAST 1601 FEET TO A STAKE AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 31 ° EAST 283.3 FEET TO A STAKE; THENCE NORTH 28 ° 05' EAST 179.3 FEET TO A STAKE; THENCE NORTH 31 ° WEST 283.3 FEET TO A STAKE; THENCE SOUTH 28 ° 05' WEST 179.3 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING:

THE PARCEL OF LAND DESCRIBED IN THE DEED FROM PACIFIC GAS AND ELECTRIC COMPANY TO WINIFRED T. MILLER DATED JANUARY 19, 1922 AND RECORDED IN BOOK 55 OF DEEDS AT PAGE 236, PLUMAS COUNTY RECORDS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT FROM WHICH THE SOUTHWEST CORNER OF SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B. & M, BEARS SOUTH 79 DEGREES 42 MINUTES WEST, 1690 FEET DISTANT, AND RUNNING THENCE NORTH 29 DEGREES 00 MINUTES EAST, 290 FEET; THENCE SOUTH 61 DEGREES 00 MINUTES EAST, 150.2 FEET; THENCE SOUTH 29 DEGREES 00 MINUTES WEST, 290 FEET; THENCE NORTH 61 DEGREES 00 MINUTES WEST, 150.2 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, BEING A PART OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER (SE1/4 OF SW1/4) OF SAID SECTION 31, TOWNSHIP 27 NORTH, RANGE 7 EAST, M.D.B. & M.

PARCEL THREE:

LCP ID #0701

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTIONS 5 AND 6, TOWNSHIP 26 NORTH, RANGE 7 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 48, PAGE 59 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

WEST ONE-HALF OF LOT 5 OF SAID SECTION 5 AND LOT 1 AND THE EAST ONE-HALF OF LOT 7 OF SAID SECTION 6.

PARCEL FOUR:

LCP ID #0702

ALL THAT CERTAIN PARCEL OF LAND SITUATE IN SECTION 1, TOWNSHIP 26 NORTH, RANGE 6 EAST, MOUNT DIABLO BASE AND MERIDIAN, AS RECORDED IN BOOK 44, PAGE 330 OF DEEDS OF THE COUNTY OF PLUMAS, STATE OF CALIFORNIA, PARTICULARLY DESCRIBED THEREIN AS FOLLOWS:

THE SOUTHEAST ONE-QUARTER OF SOUTHEAST ONE-QUARTER OF SAID SECTION 1.

List of Individuals and Entities to Whom it has Provided Notice Regarding Humbug Valley (Tasman Koyom) Planning Unit

WITHIN A MILE MAILING			
OWNER	CARE OF	MAIL ADDRESS	CITY, STATE & ZIP CODE
FOREST SERVICE USA-USDA	ATTN: BILL FERRELL	3644 AVTECH PKWY	REDDING CA 96002 9241
CC&H LANDS LLC	C/O COLLINS PINE CO	P O BOX 796	CHESTER CA 96020
SIERRA PACIFIC HOLDING COMPANY	C/O SIERRA PACIFIC INDUSTRIES	PO BOX 496028	REDDING CA 96049 6028
RED RIVER FORESTS PARTNERSHIP A CA	C/O W M BEATY & ASSOCIATES	PO BOX 898	REDDING CA 96099
LASSEN FOREST IV HUMBUG 164 LLC	C/O W M BEATY & ASSOCIATES	PO BOX 990898	REDDING CA 96099 898
HAROLD A & DARLEEN F DILS		2620 VALLEY RD	MINDEN NV 89423
JOHN J & LINDA A GILLAM		PO BOX 1926	CHESTER CA 96020
COLLINS PINE COMPANY A CORP		29100 SOUTHWEST TOW	WILSONVILLE OR 97070 9315
OSTRANDER CONSTRUCTION CO A OREGON CORP		PO BOX 796	CHESTER CA 96020
DOLORES MARIE GARD		PO BOX 125	CHESTER CA 96020
ROBERT FRANK THOMASSON		5556 COHASSET RD	CHICO CA 95973
SIERRA PACIFIC HOLDING CO A CA CORP		PO BOX 496014	REDDING CA 96049
TERRI L WOODRUFF		2723 CROW CANYON RD	SAN RAMON CA 94583
FREELANDER TRUST		1206 SANDPIPER ST	PALM DESERT CA 92260
WATER AGENCY MAILING			
Chester PUD	251 Chester Airport Rd.	Chester, Ca 96020	
Hamilton Branch Community Services District	3749 State Route A-13	Lake Almanor, Ca 96137-9700	
OTHER COUNTY AND SPECIAL DISTRICTS			
None			
BOARD OF SUPERVISORS MAILING			
Plumas County Board of Supervisors Dist 1	Honorable Michael Sanchez	520 Main St., Room 309	Quincy, Ca
Plumas County Board of Supervisors Dist 2	Honorable Kevin Gross	520 Main St., Room 309	Quincy, Ca
Plumas County Board of Supervisors Dist 3	Honorable Sherrie Thrall	520 Main St., Room 309	Quincy, Ca
Plumas County Board of Supervisors Dist 4	Honorable Lori Simpson	520 Main St., Room 309	Quincy, Ca
Plumas County Board of Supervisors Dist 5	Honorable Jeff Engel	520 Main St., Room 309	Quincy, Ca
NATIVE AMERICAN TRIBAL MAILING			
Greenville Rancheria of Maidu Indians	Kyle Self, Chairperson	P.O. Box 279	Greenville, CA 95947
Enterprise Rancheria of Maidu Indians	Glenda Nelson, Chairperson	2133 Monte Vista Ave.	Oroville, Ca 95966
Maidu Cultural & Development Group	Lorena Gorbet, Chairperson	PO Box 426	Greenville, Ca 95947
Tasman Koyom Indian Foundation	Beverly K. Ogle	29855 Plum Creek Rd.	Paynes Creek, Ca 96075
Susanville Indian Rancheria	Brandon Guitierrez, Chairperson	745 Joaquin St.	Susanville, Ca 96130

Stewardship Council's List of Individuals and Entities to Whom it has Provided Notice Regarding Humbug Valley (Tasman Koyom) Planning Unit

CITIES/TOWNS AFFECTED MAILING			
None			
INDIVIDUALS & ENTITIES WHO SUBMITTED COMMENTS			
Bob Rynearson	e-mail only	bobr@wmbeaty.com	
Edwin Wilson	1421 West Dry Creek Rd.	Healdsburg, CA 95448	
Carol Lee	PO Box 215	Clio, Ca 96106	
INDIVIDUALS & ENTITIES WHO SPOKE AT BOARD MEETING ON (5/2/2018)			
Ron Camper	P.O. Box 5339	Chico, CA 95926	
Ken Holbrook	Maidu Summit Consortium	P.O. Box 682	Chester, CA 96020
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OTHER ORGANIZATIONS THAT SUBMITTED LSP			
California Department of Fish and Game			

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
	Energy Management Service	SCD Energy Solutions
Alta Power Group, LLC	Evaluation + Strategy for Social	
Anderson & Poole	Innovation	
	GenOn Energy, Inc.	SCE
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz &	SDG&E and SoCalGas
BART	Ritchie	
	Green Charge Networks	SPURR
Barkovich & Yap, Inc.	Green Power Institute	San Francisco Water Power and Sewer
P.C. CalCom Solar	Hanna & Morton	Seattle City Light
California Cotton Ginners & Growers Assn	ICF	Sempra Utilities
California Energy Commission	International Power Technology	Southern California Edison Company
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Gas Company
California State Association of Counties	Kelly Group	Spark Energy
Calpine	Ken Bohn Consulting	Sun Light & Power
	Keyes & Fox LLP	Sunshine Design
Cameron-Daniel, P.C.	Leviton Manufacturing Co., Inc.	Tecogen, Inc.
Casner, Steve	Linde	TerraVerde Renewable Partners
Cenergy Power	Los Angeles County Integrated Waste	Tiger Natural Gas, Inc.
Center for Biological Diversity	Management Task Force	
City of Palo Alto	Los Angeles Dept of Water & Power	TransCanada
	MRW & Associates	Troutman Sanders LLP
City of San Jose	Manatt Phelps Phillips	Utility Cost Management
Clean Power Research	Marin Energy Authority	Utility Power Solutions
Coast Economic Consulting	McKenzie & Associates	Utility Specialists
Commercial Energy		
County of Tehama - Department of Public	Modesto Irrigation District	Verizon
Works	Morgan Stanley	Water and Energy Consulting
Crossborder Energy	NLine Energy, Inc.	Wellhead Electric Company
Crown Road Energy, LLC	NRG Solar	Western Manufactured Housing
Davis Wright Tremaine LLP		Communities Association (WMA)
Day Carter Murphy	Office of Ratepayer Advocates	Yep Energy
	OnGrid Solar	
Dept of General Services	Pacific Gas and Electric Company	
Don Pickett & Associates, Inc.		
Douglass & Liddell		